

# EXHIBIT A

UNITED STATES DISTRICT COURT

FOR THE SOUTHERN DISTRICT OF CALIFORNIA

TARLA MAKAEFF, BRANDON KELLER, ED OBERKROM  
and PATRICIA MURPHY, on Behalf of Themselves  
and all others Similarly Situated,

Plaintiffs,

CASE NO.: 10 CV 0940 EIG (WVG)

-against-

TRUMP UNIVERSITY, LLC (AKA TRUMP  
ENTREPRENEUR INITIATIVE) a New York  
Limited Liability Company, DONALD J. TRUMP,  
and DOES 1 through 50, inclusive,

Defendants.

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VIDEOTAPED DEPOSITION of MICHAEL SEXTON

August 22, 2012

New York, New York

Reported by:  
Eileen Mulvenna  
CSR/RMR/CRR  
Job No. 10003486

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Michael Sexton

Makaeff v. Trump University

<p><b>** CONFIDENTIAL ** CONFIDENTIAL **</b>  UNITED STATES DISTRICT COURT  FOR THE SOUTHERN DISTRICT OF CALIFORNIA  CASE NO.: 10 CV 0940 EIG (WVG)</p> <p>-----x  <b>TARLA MAKAEFF, BRANDON KELLER, ED OBERKROM</b>  and <b>PATRICIA MURPHY</b>, on Behalf of Themselves  and all others Similarly Situated,</p> <p>Plaintiffs,  -against-</p> <p><b>TRUMP UNIVERSITY, LLC (AKA TRUMP</b>  <b>ENTREPRENEUR INITIATIVE)</b> a New York  Limited Liability Company, <b>DONALD J. TRUMP,</b>  and <b>DOES 1</b> through <b>50</b>, inclusive,</p> <p>Defendants.</p> <p>-----x  August 22, 2012  9:57 a.m.</p> <p><b>VIDEOTAPED DEPOSITION</b> of <b>MICHAEL SEXTON,</b>  30(b)(6) Witness in the above-captioned matter,  taken by Plaintiffs, held at 725 Fifth Avenue,  New York, New York, before Eileen Mulvenna,  CSR/RMR/CRR, Certified Shorthand Reporter,  Registered Merit Reporter, Certified Realtime  Reporter and Notary Public of the State of  New York.</p>	<p><b>** CONFIDENTIAL ** CONFIDENTIAL **</b>  <b>A P P E A R A N C E S:</b></p> <p><b>ROBBINS GELLER RUDMAN &amp; DOWD, LLP</b>  Attorneys for Plaintiffs  655 West Broadway  Suite 1900  San Diego, California 92101  BY: <b>RACHEL L. JENSEN, ESQ.</b>  rachelj@rgrdlaw.com</p> <p>-and-</p> <p><b>ZELDES &amp; HAEGGQUIST, LLP</b>  625 Broadway  Suite 906  San Diego, California 92101  BY: <b>AMBER L. ECK, ESQ.</b>  ambere@zhlaw.com  <b>AARON M. OLSEN, ESQ.</b>  aaron@zhlaw.com</p> <p><b>YUNKER &amp; SCHNEIDER</b>  Attorneys for Defendants  655 West Broadway  Suite 1400  San Diego, California 92101  BY: <b>DAVID K. SCHNEIDER, ESQ.</b>  dks@yjslaw.com</p> <p><b>ALSO PRESENT:</b>  Richard Ramos, Videographer</p>
<p>Page 1</p>	<p>Page 2</p>

<p><b>** CONFIDENTIAL ** CONFIDENTIAL **</b>  <b>STIPULATIONS</b></p> <p><b>IT IS HEREBY STIPULATED AND AGREED,</b>  by and between the attorneys for the respective  parties herein, that filing and sealing be and  the same are hereby waived.</p> <p><b>IT IS FURTHER STIPULATED AND AGREED</b>  that all objections, except as to the form of the  question, shall be reserved to the time  of the trial.</p> <p><b>IT IS FURTHER STIPULATED AND AGREED</b>  that the within deposition may be signed and  sworn to before any officer authorized to  administer an oath, with the same force and  effect as if signed and sworn to before the  officer before whom the within deposition was  taken.</p>	<p><b>SEXTON - CONFIDENTIAL</b>  <b>THE VIDEOGRAPHER:</b> Good morning.  This is Tape No. 1 of the videotaped  deposition of Michael Sexton in the matter  of Tarla Makaeff, et al., versus Trump  University LLC, et al., in the United  States District Court for the Southern  District of California.  This deposition is being held at The  Trump Organization located at  725 5th Avenue, New York, New York 10022 on  August 22, 2012, at approximately 9:57 a.m.  My name is Richard Ramos and I'm the  legal video specialist. The court reporter  is Eileen Mulvenna.  Will counsel please introduce  themselves beginning with the party  noticing this proceeding.  <b>MS. JENSEN:</b> Yes. Good morning. My  name is Rachel Jensen from Robbins Geller  Rudman &amp; Dowd, and I'm here representing  the plaintiffs.  <b>MS. ECK:</b> Amber Eck of Zeldes &amp;  Haeggquist representing the plaintiffs.  <b>MR. OLSEN:</b> Aaron Olsen, Zeldes &amp;</p>
<p>Page 3</p>	<p>Page 4</p>

1 (Pages 1 to 4)

CONFIDENTIAL

Michael Sexton

Makaeff v. Trump University

<p>1           <b>SEXTON - CONFIDENTIAL</b>                  2   psychographics.                  3    A.   It is.                  4    <b>Q.   What were your years of employment</b>                  5    <b>there?</b>                  6    A.   I want to say 2000 to 2002.                  7    <b>Q.   And for all of these positions,</b>                  8    <b>Accenture and then Digital Discovery and then</b>                  9    <b>Install, did you leave these positions</b>                  10   <b>voluntarily to pursue the next position?</b>                  11   A.   Yes, I did.                  12   <b>Q.   Then after Install, for what</b>                  13   <b>companies did you work?</b>                  14   A.   I worked for -- I started a company                  15   called Katon Direct.                  16   <b>Q.   Can you spell that?</b>                  17   A.   K-A-T-O-N.                  18           It was called Katon Partners when we                  19   launched it. And that's a -- that was a                  20   technology-driven health care recruitment                  21   company.                  22   <b>Q.   Can you explain that?</b>                  23   A.   Yes. So traditionally if you need                  24   to hire a nurse, put an ad out on Monster or the                  25   newspaper and you hope people see your ad and</p> <p style="text-align: right;">Page 61</p>	<p>1           <b>SEXTON - CONFIDENTIAL</b>                  2   apply for the job. Or you hire -- for a higher                  3   level job, you may hire a headhunter to go out                  4   and find somebody.                  5           So for licensed professionals, you                  6   can literally get everybody that legally can fill                  7   that job. And what we did is we got the universe                  8   of people that had the required licensure to fill                  9   a specific job. And then rather than hope people                  10   saw the ad, employers would come to us and say, I                  11   want four registered nurses at this location.                  12           We had all the licensed                  13   professionals that can legally fill that role, so                  14   we could very effectively and efficiently contact                  15   everybody in a drive range around that location,                  16   because commute time is a key indicator of job                  17   satisfaction, and reach out to them and say, hey,                  18   there's this job, are you interested?                  19           So it's a much more proactive way to                  20   make what people always refer to as that passive                  21   job candidate -- make them aware that there's an                  22   opening close to them.                  23   <b>Q.   And when did you start the company?</b>                  24   A.   Probably 2003 or late 2002,                  25   somewhere in there.</p> <p style="text-align: right;">Page 62</p>
<p>1           <b>SEXTON - CONFIDENTIAL</b>                  2   <b>Q.   And what was your position there?</b>                  3   A.   I was partner.                  4   <b>Q.   How many partners did you have?</b>                  5   A.   Three at the time.                  6   <b>Q.   And how many employees did you have?</b>                  7   A.   When I left, maybe a dozen.                  8   <b>Q.   When did you leave?</b>                  9   A.   It would have been the winter of                  10   2004, so sometime before the new year.                  11   <b>Q.   And why did you leave?</b>                  12   A.   I left to start Trump University.                  13   <b>Q.   And do you still have an interest in</b>                  14   <b>Katon?</b>                  15   A.   I do not.                  16   <b>Q.   Is this Katon -- is Katon still in</b>                  17   <b>business?</b>                  18   A.   It is.                  19   <b>Q.   So do you -- strike that.</b>                  20           <b>Did you sever all ties when you left</b>                  21   <b>Katon in terms of equity interest and so forth?</b>                  22   A.   Yes, I did.                  23   <b>Q.   Accenture is still in business,</b>                  24   <b>isn't it?</b>                  25   A.   Yes.</p> <p style="text-align: right;">Page 63</p>	<p>1           <b>SEXTON - CONFIDENTIAL</b>                  2   <b>Q.   Digital Discovery?</b>                  3   A.   I don't know.                  4   <b>Q.   Install?</b>                  5   A.   No.                  6   <b>Q.   When did that company go out of</b>                  7   <b>business?</b>                  8   A.   Shortly after 9/11.                  9   <b>Q.   Was it related to 9/11?</b>                  10   A.   Yes, it was.                  11   <b>Q.   Was it in one of the towers or --</b>                  12   A.   No, it was a funding issue. It was                  13   scheduled to close to allow us to expand. And                  14   that environment -- post 9/11, nobody was lending                  15   money -- or investing money.                  16   <b>Q.   Is that why you left and started</b>                  17   <b>another company?</b>                  18   A.   Yes, it is.                  19   <b>Q.   Could you take me through and -- the</b>                  20   <b>process of starting Trump University, whose idea</b>                  21   <b>was Trump University?</b>                  22   A.   It was my idea.                  23   <b>Q.   And did you present that directly to</b>                  24   <b>Mr. Trump?</b>                  25   A.   I did.</p> <p style="text-align: right;">Page 64</p>

16 (Pages 61 to 64)

CONFIDENTIAL

Michael Sexton

Makaeff v. Trump University

<p>1           SEXTON - CONFIDENTIAL</p> <p>2       <b>Q. How did you come to meet Mr. Trump?</b></p> <p>3       A. One of my former partner's</p> <p>4 brother-in-law was a golfing friend of</p> <p>5 Mr. Trump's.</p> <p>6       <b>Q. Former partner's brother-in-law?</b></p> <p>7       A. Yes.</p> <p>8       <b>Q. Was a golfing buddy?</b></p> <p>9       A. Yes.</p> <p>10       <b>Q. And who was that?</b></p> <p>11       A. His name a Jonathan Spitalny.</p> <p>12       <b>Q. Could you spell his last name.</b></p> <p>13       A. S-P-I-T-A-L-N-Y.</p> <p>14       <b>Q. And was Jonathan involved in the</b></p> <p>15 <b>starting of Trump University as well?</b></p> <p>16       A. He was involved in the -- not in the</p> <p>17 operational portion of starting the company, but</p> <p>18 in the negotiations to start the company.</p> <p>19       <b>Q. And when you say "negotiations," do</b></p> <p>20 <b>you mean negotiations with Mr. Trump?</b></p> <p>21       A. Yes, I do.</p> <p>22       <b>Q. And how was he involved?</b></p> <p>23       A. He was present at the early</p> <p>24 meetings, obviously he arranged for the early</p> <p>25 meetings, and continued to be involved through --</p> <p style="text-align: right;">Page 65</p>	<p>1           SEXTON - CONFIDENTIAL</p> <p>2 through the negotiation of the contract.</p> <p>3       <b>Q. And did he have an interest in Trump</b></p> <p>4 <b>University?</b></p> <p>5       A. Yes, he did.</p> <p>6       <b>Q. Do you know what his interest was?</b></p> <p>7       A. I believe it's 3.5 percent.</p> <p>8       <b>Q. Does he still have an interest in</b></p> <p>9 <b>Trump University?</b></p> <p>10       A. I don't know.</p> <p>11       <b>Q. How did you have the idea to start</b></p> <p>12 <b>Trump University?</b></p> <p>13       A. The business was going well, and we</p> <p>14 were looking for additional services that we</p> <p>15 could provide to our target market health care</p> <p>16 professionals.</p> <p>17       <b>Q. I'm sorry, when you say "business,"</b></p> <p>18 <b>you mean Katon?</b></p> <p>19       A. Katon, yes.</p> <p>20               And I started looking at</p> <p>21 specifically the requirements for health care</p> <p>22 professionals to get continuing education credits</p> <p>23 to maintain a licensure and was exploring</p> <p>24 offering those educational training products</p> <p>25 through the Internet, an e-learning platform.</p> <p style="text-align: right;">Page 66</p>
<p>1           SEXTON - CONFIDENTIAL</p> <p>2 And that's where -- the genesis.</p> <p>3       The idea was that -- running the</p> <p>4 numbers found that the acquisition cost to get a</p> <p>5 new customer in a pretty commoditized environment</p> <p>6 was too high. And so started thinking about what</p> <p>7 other -- if there's a brand in that -- in that</p> <p>8 industry you could license to differentiate</p> <p>9 yourself from the other continuing education</p> <p>10 providers.</p> <p>11       And that's where -- that's what kind</p> <p>12 of got the thinking if you can do it in that</p> <p>13 area, why limit yourself just to health care?</p> <p>14 Why not -- other small business owners that have</p> <p>15 a need for business education that aren't</p> <p>16 adequately being served today, if we could</p> <p>17 license a brand that could cut through the</p> <p>18 clutter and connect with small/midsize</p> <p>19 businesses, that would be a compelling business.</p> <p>20       <b>Q. What do you mean by "cut through the</b></p> <p>21 <b>clutter"?</b></p> <p>22       A. So if you're -- anybody that's tried</p> <p>23 to market to small business owners or even</p> <p>24 executives at midsize businesses, middle market</p> <p>25 companies know that it's very -- it's difficult</p> <p style="text-align: right;">Page 67</p>	<p>1           SEXTON - CONFIDENTIAL</p> <p>2 to reach them because, you know, they're busy</p> <p>3 people. And if you had a brand, it would make --</p> <p>4 it would make it much more compelling from a</p> <p>5 marketing standpoint to be able to connect with</p> <p>6 them and effectively communicate what you were</p> <p>7 offering.</p> <p>8       <b>Q. And the idea of brand, did that make</b></p> <p>9 <b>you think of Donald Trump?</b></p> <p>10       A. It did. It was -- if I recall, it</p> <p>11 was during the first season of The Apprentice.</p> <p>12 And it seemed like a long time ago, but they</p> <p>13 were -- made quite a splash then because there</p> <p>14 were a number of courses being taught at</p> <p>15 traditional four-year colleges, lessons learned</p> <p>16 about the -- from The Apprentice, management</p> <p>17 lessons from The Apprentice.</p> <p>18       And it kind of caught my attention</p> <p>19 that the brand had transcended real estate to be</p> <p>20 something much bigger, more of an entrepreneurial</p> <p>21 brand in many people's mind. And I thought it</p> <p>22 was -- from a brand equity standpoint, I thought</p> <p>23 it would be a very effective -- very, very</p> <p>24 effective way to connect with people.</p> <p>25       <b>Q. I was just thinking who says that TV</b></p> <p style="text-align: right;">Page 68</p>

17 (Pages 65 to 68)

CONFIDENTIAL

Michael Sexton

Makaeff v. Trump University

<p>1           <b>SEXTON - CONFIDENTIAL</b>                  2 watching isn't productive.                  3           A. That's right.                  4           <b>Q. So this came to you in a flash</b>                  5 <b>thinking about The Apprentice?</b>                  6           A. It did.                  7           <b>Q. And -- and then -- and then Jonathan</b>                  8 <b>put you in touch with Mr. Trump?</b>                  9           A. He did.                  10          <b>Q. And when was the first time you met</b>                  11 <b>with Donald Trump?</b>                  12          A. It would have been in 2004. I                  13 imagine the summer of 2004.                  14          <b>Q. And not to belabor the point, but in</b>                  15 <b>that conversation, the first meeting, as it were,</b>                  16 <b>was it you and Jonathan and Mr. Trump?</b>                  17          A. And a partner of mine, Richard                  18 Kaskel.                  19          <b>Q. Who is Richard Kaskel?</b>                  20          A. He was my partner at Katon Partners.                  21          <b>Q. And did he also have an equity</b>                  22 <b>interest in Trump University?</b>                  23          A. No.                  24          <b>Q. Did he have any role in Trump</b>                  25 <b>University?</b></p> <p style="text-align: right;">Page 69</p>	<p>1           <b>SEXTON - CONFIDENTIAL</b>                  2           A. Originally our strategy was to                  3 license the brand. And he would have had a role                  4 if we had gone down that path. We didn't, so he                  5 didn't.                  6           <b>Q. And what would -- I'm sorry. Is he</b>                  7 <b>an attorney or --</b>                  8           A. No, no. He was just a business                  9 person.                  10          <b>Q. Okay. Okay. Why did you decide not</b>                  11 <b>to go down -- I think you said that path?</b>                  12          A. That path.                  13                 During the course of multiple                  14 meetings with Mr. Trump and other members of the                  15 Trump organization, Mr. Trump kind of -- it                  16 changed at his direction from a licensing                  17 agreement to an equity ownership.                  18          <b>Q. And you mean, by "equity ownership,"</b>                  19 <b>his equity ownership?</b>                  20          A. Correct. Rather than us raising                  21 money in the financial markets and licensing his                  22 brand to build the business, he wanted to put his                  23 own money in. He thought it was a compelling                  24 concept. And rather than an arm's length                  25 license, he would, in fact, be equity partner.</p> <p style="text-align: right;">Page 70</p>
<p>1           <b>SEXTON - CONFIDENTIAL</b>                  2           <b>Q. And was he -- was his equity</b>                  3 <b>interest about roughly 93 percent?</b>                  4           A. 92 1/2, I believe. No, you're                  5 right, 93. No, I'm sorry, I don't remember. 92                  6 or 93.                  7           <b>Q. Sure.</b>                  8           <b>And do you recall how much of his</b>                  9 <b>own money he invested?</b>                  10          MR. SCHNEIDER: I'm going to object.                  11 The court's already ruled it's not                  12 appropriate for the case.                  13                 I instruct you not to answer.                  14                 The court's already ruled on this,                  15 Rachel.                  16          MS. JENSEN: The court did not rule                  17 as to the amount of money that he invested                  18 in the company.                  19          MR. SCHNEIDER: He did. You --                  20 you've asked in documents. You've asked                  21 him redacted documents for his capital                  22 contribution, how much money has been paid                  23 to Mr. Trump, how much money was put into                  24 the company. And every time the judge has                  25 ruled, now twice, that monies to or from</p> <p style="text-align: right;">Page 71</p>	<p>1           <b>SEXTON - CONFIDENTIAL</b>                  2 Donald Trump are not relevant to your case.                  3           MS. ECK: My recollection is that                  4 the question was in regard to money paid to                  5 Donald Trump and not in regard to money                  6 that Donald Trump paid.                  7           MR. SCHNEIDER: That's not accurate.                  8           MS. JENSEN: That's correct.                  9           MR. SCHNEIDER: You all brought a                  10 motion seeking to get the capital                  11 contributions on the limited liability                  12 operating agreement. And you lost. That                  13 included the capital contributions in the                  14 limited -- in the operating agreement that                  15 were redacted. And you asked the court to                  16 remove the redaction so you could see the                  17 contributions made by the partners, and the                  18 court said no.                  19           MS. JENSEN: My recollection is that                  20 it was the monies that were paid to. But                  21 again, you know, I want to keep moving, so                  22 we'll reserve on that. And we might come                  23 back to that.                  24 BY MS. JENSEN:                  25           <b>Q. So in your initial meetings, besides</b></p> <p style="text-align: right;">Page 72</p>

18 (Pages 69 to 72)

CONFIDENTIAL

Michael Sexton

Makaeff v. Trump University

<p>1           SEXTON - CONFIDENTIAL                  2           asked for it this week, we produced it this                  3           morning and --                  4           (Discussion off the record.)                  5       BY MS. JENSEN:                  6           <b>Q. In case I didn't ask this question</b>                  7           <b>on the record.</b>                  8           Again, I'm -- how much of a pay                  9           reduction did you take in terms of dollar                  10          amounts?                  11          A. 10 percent.                  12          (Discussion off the record.)                  13          <b>Q. How were you compensated -- how were</b>                  14          <b>you compensated by Trump University?</b>                  15          MR. SCHNEIDER: Are you asking for a                  16          dollar amount? Are you trying to invoke                  17          the objection? I'll make it. I'm not sure                  18          if you're asking if he received a paycheck                  19          every two weeks, or are you asking for the                  20          dollar amount.                  21       BY MS. JENSEN:                  22          <b>Q. I'm asking -- I'll say were you paid</b>                  23          <b>by a flat salary?</b>                  24          A. I was paid a management fee.                  25          <b>Q. Was that management fee set</b></p> <p style="text-align: right;">Page 101</p>	<p>1           SEXTON - CONFIDENTIAL                  2           <b>annually?</b>                  3           A. It actually never changed from the                  4           original agreement.                  5           <b>Q. Was it an annual amount?</b>                  6           A. Yes, it was. Paid out every two                  7           weeks.                  8           <b>Q. And was it contingent on revenues?</b>                  9           A. No, it was not.                  10          <b>Q. Was it contingent on profits?</b>                  11          A. No, it was not.                  12          <b>Q. Just to clarify, by "original</b>                  13          <b>agreement," do you mean your employment</b>                  14          <b>agreement?</b>                  15          A. I do.                  16          <b>Q. And I take it that your employment</b>                  17          <b>agreement was part of the negotiations for Trump</b>                  18          <b>University --</b>                  19          A. Yes, it was.                  20          <b>Q. -- we were talking about previously?</b>                  21          <b>And I don't want to ask you</b>                  22          <b>questions that I think I know the answers to, so</b>                  23          <b>you were originally the president; correct?</b>                  24          A. Correct.                  25          <b>Q. And did your title ever change?</b></p> <p style="text-align: right;">Page 102</p>
<p>1           SEXTON - CONFIDENTIAL                  2           A. It did not.                  3           <b>Q. Did your responsibilities or job</b>                  4           <b>duties ever change?</b>                  5           A. No, they did not.                  6           MS. JENSEN: David, do you have                  7           additional copies of the employment                  8           agreement?                  9           MR. SCHNEIDER: I think I did make a                  10          couple of copies.                  11          MS. JENSEN: Okay. That's a                  12          document I do not have in the binders for                  13          you because I just received it.                  14          MR. SCHNEIDER: (Handing document to                  15          the witness.)                  16          MS. JENSEN: But I would like to                  17          introduce this document as Exhibit No. 2.                  18          It is entitled the "Employment Agreement,"                  19          it is Bates ranges TU129757 to 71, which I                  20          will ask the court reporter to mark as                  21          Exhibit No. 2.                  22          (Plaintiffs' Exhibit 2, Bates Nos.                  23          TU129757 through 72, Employment Agreement,                  24          marked for identification.)                  25          (Discussion off the record.)</p> <p style="text-align: right;">Page 103</p>	<p>1           SEXTON - CONFIDENTIAL                  2           MR. OLSEN: Can I have the Bates                  3           numbers again?                  4           MS. JENSEN: It's TU129757.                  5       BY MS. JENSEN:                  6           <b>Q. Mr. Sexton, is this the employment</b>                  7           <b>agreement for your employment with Trump</b>                  8           <b>University?</b>                  9           A. Yes, it is.                  10          <b>Q. If you can turn to the last page of</b>                  11          <b>the document, which is -- I don't know -- do you</b>                  12          <b>see the heading, "Schedule A"?</b>                  13          A. Yes, I do.                  14          <b>Q. And there is a list from number 1 to</b>                  15          <b>10 for employees' duties and responsibilities?</b>                  16          A. Uh-huh.                  17          <b>Q. Does that fairly portray what your</b>                  18          <b>duties and responsibilities were while at Trump</b>                  19          <b>University?</b>                  20          (Witness peruses the exhibit.)                  21          A. Yes, it was -- yes, it does.                  22          <b>Q. And were you the person primarily</b>                  23          <b>responsible for each one of these duties and</b>                  24          <b>responsibilities?</b>                  25          A. Yes, I was.</p> <p style="text-align: right;">Page 104</p>

26 (Pages 101 to 104)

## CONFIDENTIAL

Michael Sexton

Makaeff v. Trump University

<p>1           SEXTON - CONFIDENTIAL</p> <p>2           <b>Q. Looking at Schedule A, is there</b></p> <p>3 <b>anybody else who had primary responsibility for</b></p> <p>4 <b>these duties and responsibilities?</b></p> <p>5           A. Well, number 6, certainly Steven</p> <p>6 Matejek, our controller.</p> <p>7           Number 9, certainly our chief</p> <p>8 marketing officer.</p> <p>9           <b>Q. I'm sorry, that's Michael Bloom?</b></p> <p>10          A. Correct.</p> <p>11          But other than that, yes. And,</p> <p>12 look, number 3 was kind of a collaborative</p> <p>13 effort.</p> <p>14          <b>Q. Collaborative effort?</b></p> <p>15          A. With -- it's pretty high level</p> <p>16 talking about business processes. If there was a</p> <p>17 customer service business process, it would be</p> <p>18 David Highbloom. If it was a marketing business</p> <p>19 process, it would be Michael Bloom. But</p> <p>20 certainly I worked in collaboration with them.</p> <p>21          <b>Q. Thank you.</b></p> <p>22          <b>Where did you report location-wise?</b></p> <p>23 <b>Where did you show up every morning?</b></p> <p>24          A. Well, initially we didn't have</p> <p>25 offices, so it was kind of pre -- pre venture.</p> <p style="text-align: right;">Page 105</p>	<p>1           SEXTON - CONFIDENTIAL</p> <p>2 We worked out of here, this building, at times.</p> <p>3 We -- again, I don't recall the exact date, but</p> <p>4 we got offices at 40 Wall Street relatively</p> <p>5 quickly. And that's where -- that's where we</p> <p>6 remained in a different -- two different office</p> <p>7 spaces there for the remainder of the term.</p> <p>8           <b>Q. I'm sorry, so you had two different</b></p> <p>9 <b>office spaces at 40 Wall --</b></p> <p>10          A. We started in a very small space and</p> <p>11 then, as we grew a bit, we got a slightly bigger</p> <p>12 space.</p> <p>13          <b>Q. Did you have an office at Trump</b></p> <p>14 <b>Organization -- you said in the beginning?</b></p> <p>15          A. No, we were never given an office.</p> <p>16 If we needed to use a conference room, we'd use a</p> <p>17 conference room.</p> <p>18          <b>Q. Okay. Fair enough.</b></p> <p>19          <b>Did you report to anyone?</b></p> <p>20          A. You know, technically, I don't know.</p> <p>21 I mean, technically, Mr. Trump is the managing</p> <p>22 member. Practically speaking, Allen Weisselberg</p> <p>23 is the CFO.</p> <p>24          <b>Q. CFO of Trump Organization?</b></p> <p>25          A. Correct.</p> <p style="text-align: right;">Page 106</p>
<p>1           SEXTON - CONFIDENTIAL</p> <p>2           Again, reporting is a little --</p> <p>3 there's kind of the reporting from a -- the</p> <p>4 operating agreement standpoint. You know, I</p> <p>5 didn't report to anybody in Trump Organization</p> <p>6 from an organizational hierarchy standpoint.</p> <p>7           <b>Q. I'm sorry, I just want to make sure</b></p> <p>8 <b>I understand your question -- your answer.</b></p> <p>9           A. Sure.</p> <p>10          <b>Q. So from an operating agreement</b></p> <p>11 <b>standpoint. So, again, are you referring to the</b></p> <p>12 <b>members?</b></p> <p>13          A. Correct. The LLC. So I reported --</p> <p>14 inasmuch as I had to report the managing in</p> <p>15 Schedule A to the managing member financial</p> <p>16 results, I'm using report in one way. If you're</p> <p>17 asking who -- from an organizational development</p> <p>18 standpoint or hierarchy standpoint who I reported</p> <p>19 to here, I didn't report to anybody.</p> <p>20          <b>Q. So you did have a responsibility to</b></p> <p>21 <b>report the financials to the managing member?</b></p> <p>22          A. The overall performance of the</p> <p>23 business.</p> <p>24          <b>Q. Correct.</b></p> <p>25          <b>And then also I see, on number 10,</b></p> <p style="text-align: right;">Page 107</p>	<p>1           SEXTON - CONFIDENTIAL</p> <p>2 <b>there's a parenthetical next to "Negotiating</b></p> <p>3 <b>significant contracts."</b></p> <p>4           A. Uh-huh.</p> <p>5           <b>Q. It says, "With approval of a</b></p> <p>6 <b>managing member or another person authorized by</b></p> <p>7 <b>Donald Trump."</b></p> <p>8           <b>What types of contracts would be</b></p> <p>9 <b>significant enough to warrant preapproval?</b></p> <p>10          A. The BSG contract would be a good</p> <p>11 example. We certainly didn't have many, but</p> <p>12 that's the one that sticks in my mind as --</p> <p>13          <b>Q. Any others?</b></p> <p>14          A. Maybe the rent, the office lease</p> <p>15 at -- yes, I'm sure the office lease at 40 Wall.</p> <p>16 Other than that, I can't recall.</p> <p>17          <b>Q. And then in terms of people who</b></p> <p>18 <b>reported to you, is it fair to say that everybody</b></p> <p>19 <b>else at Trump University ultimately reported to</b></p> <p>20 <b>you?</b></p> <p>21          A. Yes, it is.</p> <p>22          <b>Q. Did you have anybody directly report</b></p> <p>23 <b>to you?</b></p> <p>24          A. Yes.</p> <p>25          <b>Q. And who was that?</b></p> <p style="text-align: right;">Page 108</p>

27 (Pages 105 to 108)



CONFIDENTIAL

Michael Sexton

Makaeff v. Trump University

<p>1           <b>SEXTON - CONFIDENTIAL</b></p> <p>2           A. David Highbloom, who is the chief</p> <p>3 operating officer. I mean, it evolved over time,</p> <p>4 right. So if you want a snapshot, towards the</p> <p>5 end, it was Michael Bloom as the chief marketing</p> <p>6 officer, Steven Matejek as the controller. I</p> <p>7 guess April Neumann as the director of</p> <p>8 operations.</p> <p>9           (Discussion off the record.)</p> <p>10          <b>Q. Trump University was registered to</b></p> <p>11 <b>do business in New York; correct?</b></p> <p>12          A. Yes.</p> <p>13          <b>Q. Was it registered to do business in</b></p> <p>14 <b>any other state?</b></p> <p>15          A. Yes.</p> <p>16          <b>Q. What other states?</b></p> <p>17          A. It's A long list. We had operations</p> <p>18 in Illinois, where we had a -- our Greg Saunders,</p> <p>19 who we spoke of earlier, was effectively our CTO,</p> <p>20 lived and worked out of his home.</p> <p>21                 And Ben Mueller from Florida.</p> <p>22                 Chief learning officer by the name</p> <p>23 of Roger Schank.</p> <p>24          <b>Q. Sorry, what was his title, chief</b></p> <p>25 <b>learning officer?</b></p> <p style="text-align: right;">Page 109</p>	<p>1           <b>SEXTON - CONFIDENTIAL</b></p> <p>2           A. Learning officer, uh-huh.</p> <p>3           <b>Q. And could you spell Roger's last</b></p> <p>4 <b>name for the record?</b></p> <p>5           A. I believe it's S-C-H-A-N-K.</p> <p>6                 We had a fulfillment, logistics kind</p> <p>7 of pick, pack and ship fulfillment warehouse that</p> <p>8 we contracted with out in Arizona. And then we</p> <p>9 filed to do businesses in states where we were</p> <p>10 going to appear in the course of business.</p> <p>11          <b>Q. Do you recall what states -- what</b></p> <p>12 <b>states you were registered with?</b></p> <p>13          A. I would just be guessing, but</p> <p>14 California, Florida, New York, New Jersey,</p> <p>15 Maryland, Virginia. Every state where we would</p> <p>16 routinely conduct business.</p> <p>17          <b>Q. And do you mean by "routinely</b></p> <p>18 <b>conduct business" the live events or --</b></p> <p>19          A. Correct. Correct. And/or have a</p> <p>20 presence. I think they call it nexus, where --</p> <p>21 where we had an employee or some kind of ongoing</p> <p>22 operation like the logistics facility --</p> <p>23          <b>Q. Sure.</b></p> <p>24          A. -- in Phoenix.</p> <p>25          <b>Q. Did you have any employees in</b></p> <p style="text-align: right;">Page 110</p>
<p>1           <b>SEXTON - CONFIDENTIAL</b></p> <p>2 <b>California?</b></p> <p>3           A. No, we did not.</p> <p>4           <b>Q. Did you have any other nexus in</b></p> <p>5 <b>California?</b></p> <p>6           A. No, we did not.</p> <p>7           <b>Q. Is there an entity called Trump U</b></p> <p>8 <b>CA?</b></p> <p>9           A. I believe there is, yes.</p> <p>10          <b>Q. And what was its relationship to</b></p> <p>11 <b>Trump University LLC?</b></p> <p>12          A. I didn't deal with the specific</p> <p>13 corporations, but I believe it was a company that</p> <p>14 we set up to ensure we paid the proper taxes in</p> <p>15 Canada. I know -- again, I wasn't directly</p> <p>16 involved with that, but I know we had to go</p> <p>17 through a fair amount of paperwork,</p> <p>18 administrative to do business in Canada. That</p> <p>19 was part of it.</p> <p>20          <b>Q. So the "CA" stands for Canada?</b></p> <p>21          A. Yes, it does.</p> <p>22          <b>Q. Besides the offices at 40 Wall</b></p> <p>23 <b>Street, did Trump University also have an office</b></p> <p>24 <b>at 399 Pine Road, Briarcliff Manor, New York?</b></p> <p>25          A. No.</p> <p style="text-align: right;">Page 111</p>	<p>1           <b>SEXTON - CONFIDENTIAL</b></p> <p>2           <b>Q. Do you know -- does that address</b></p> <p>3 <b>ring a bell?</b></p> <p>4           A. It doesn't to me. I know Mr. Trump</p> <p>5 has I think a golf course in Briarcliff Manor,</p> <p>6 but I don't know the address of it.</p> <p>7           <b>Q. Moving to the Trump University</b></p> <p>8 <b>operating agreement, did Trump University</b></p> <p>9 <b>entered -- enter into a license with Donald Trump</b></p> <p>10 <b>to use the name Trump?</b></p> <p>11          A. I don't recall if that was a</p> <p>12 specific part of the operating agreement.</p> <p>13          <b>Q. I'm going to direct your</b></p> <p>14 <b>attention --</b></p> <p>15          A. Should I do something with this?</p> <p>16          <b>Q. You can put it actually back into</b></p> <p>17 <b>the binder -- I'm sorry, that one wasn't in the</b></p> <p>18 <b>binder before. Could you put it in the left-hand</b></p> <p>19 <b>pocket right there.</b></p> <p>20                 (Witness complies.)</p> <p>21          <b>Q. That would be great. Thanks.</b></p> <p>22                 I'd like to direct your attention to</p> <p>23 a document labeled TU62027 through 56. Perhaps</p> <p>24 your counsel can help you --</p> <p>25                 MR. SCHNEIDER: Which binder?</p> <p style="text-align: right;">Page 112</p>

28 (Pages 109 to 112)

CONFIDENTIAL

Michael Sexton

Makaeff v. Trump University

<p>1           SEXTON - CONFIDENTIAL                  2           MS. JENSEN: These are all labeled                  3 numerically, and it says on the binder what                  4 the Bates ranges are.                  5           THE WITNESS: This goes up to 56                  6 or --                  7           MR. SCHNEIDER: So what is the                  8 number?                  9           MS. JENSEN: It should be the one                  10 after that.                  11           62027.                  12           We'll ask that it be marked as                  13 Exhibit No. 3.                  14           (Plaintiffs' Exhibit 3, Bates Nos.                  15 TU62027 through 56, Operating Agreement,                  16 marked for identification.)                  17 BY MS. JENSEN:                  18           Q.    Could you please turn to page No. 6.                  19                I'm sorry, before we get there, do                  20 you recognize that this is the operating                  21 agreement of Trump University?                  22           A.    It appears to be, yes.                  23           Q.    Turning to page No. 6, do you see                  24 the heading for "Name"?                  25           A.    Yes, I do.</p> <p style="text-align: right;">Page 113</p>	<p>1           SEXTON - CONFIDENTIAL                  2           Q.    It says that the company will enter                  3 into a license agreement with Trump, which                  4 states, among other things, the rights of the                  5 company for the use of the name "Trump" as part                  6 of the name of the company in the form and on the                  7 terms satisfactory to the manager?                  8           A.    Yes, I do.                  9           Q.    Does that refresh your recollection                  10 as to whether there was a license agreement?                  11           A.    Yes, appears to be.                  12           Q.    Whose idea was it to use the name                  13 Trump in the name of the organization?                  14           A.    It was mine. We wouldn't have                  15 approached the Trump Organization and Donald                  16 Trump specifically unless we intended to use that                  17 name as part of the branding.                  18           Q.    So that was always part of the plan?                  19           A.    Right.                  20           Q.    To which -- it sounds like Mr. Trump                  21 agreed?                  22           A.    Yes, he agreed.                  23           Q.    Why did you want to use the name                  24 Trump? I understand that it's -- from your prior                  25 testimony, I'm not trying to misstate anything,</p> <p style="text-align: right;">Page 114</p>
<p>1           SEXTON - CONFIDENTIAL                  2 it was for brand purposes. Can you explain that                  3 a little bit more?                  4           A.    We thought it was a very                  5 aspirational and inspirational brand that could                  6 motivate people. And going back to the earlier                  7 testimony, at this point in time, the Trump brand                  8 really transcended real estate.                  9           And there was actually a survey --                  10 we'd done a fair amount of research into what                  11 brands really do represent the best of                  12 entrepreneurship in America. And there was a                  13 survey done by a recognized company, I forget,                  14 maybe it was Microsoft, and Trump was the number                  15 two recognized brand for entrepreneurship very                  16 specifically in America.                  17           And we felt it was the most                  18 compelling brand out there that would -- that                  19 would be accessible to a broad range of people                  20 who would understand kind of instantly when you                  21 put that name what it stood for.                  22           Q.    Did you keep that survey in your                  23 records?                  24           A.    I don't recall. I'm sure it was                  25 referenced in -- you know, in early documents.</p> <p style="text-align: right;">Page 115</p>	<p>1           SEXTON - CONFIDENTIAL                  2           Q.    Do you remember the name of the                  3 survey?                  4           A.    You know, I believe it was Intuit,                  5 actually. I believe it was Intuit who conducted                  6 the survey.                  7           Q.    You don't recall the name of the                  8 survey, sitting here?                  9           A.    No. That was seven years ago.                  10           Q.    Was the survey released in 2004?                  11           A.    I believe it's 2004.                  12           Q.    Just curious, what was the number                  13 one?                  14           A.    I believe it was Bill Gates.                  15           Q.    Would have made sense, if it was a                  16 Microsoft survey.                  17           A.    That's why I was thinking Microsoft.                  18           Q.    Right.                  19           A.    But, again, it wasn't lost on us                  20 that colleges -- four-year colleges and some                  21 community colleges were actually teaching courses                  22 based on lessons learned from the program. So it                  23 clearly -- clearly people were motivated by it,                  24 so we thought it was a very, very good brand.                  25           Q.    And by "motivated," do you mean</p> <p style="text-align: right;">Page 116</p>

29 (Pages 113 to 116)

CONFIDENTIAL

Michael Sexton

Makaeff v. Trump University

<p>1           <b>SEXTON - CONFIDENTIAL</b>                  2   <b>motivated to buy?</b>                  3       A. Motivated to do -- to act. We did a                  4 fair amount of research on small business owner                  5 market. And historically, it's been a very, very                  6 difficult market to crack because small business                  7 owners are typically more worried about making                  8 payroll and the day-to-day operations of the                  9 business as opposed to investing in building                  10 their education and training to grow the                  11 business.                  12       And so many companies had kind of                  13 gone down that path and been frustrated by --                  14 even though everybody agrees -- surveys will show                  15 they know they need to do specific things to                  16 improve their financial performance and grow the                  17 business, but they don't have time to do it.                  18       So we were looking for something                  19 that was aspirational that would get people to                  20 get up and act.                  21       <b>Q. And, I'm sorry, by "act," do you</b>                  22 <b>mean sign up for the program?</b>                  23       A. To engage in the training and                  24 education, right.                  25       <b>Q. Okay. So -- I mean, the end result</b>                  Page 117</p>	<p>1           <b>SEXTON - CONFIDENTIAL</b>                  2   <b>would be to buy the product; right?</b>                  3       MR. SCHNEIDER: Well, he's answered                  4 this two or three times now, Rachel. You                  5 keep asking. He said it's to do                  6 something --                  7       MS. JENSEN: I know. I understand.                  8 I'm trying to flush it out, David.                  9       MR. SCHNEIDER: What you want is the                  10 answer that -- what you want is the answer                  11 to buy, but he's twice now told you that's                  12 not what it was. He said it's to do                  13 something, to get businesses to move                  14 into --                  15       MS. JENSEN: No, I understand. I'm                  16 trying to flush it out further. So that's                  17 what --                  18       MR. SCHNEIDER: That's not what your                  19 question was. You said, it's this; right?                  20 And he said, no, it's X. And you go, okay,                  21 but really it's this; right? And he said,                  22 no. And you said, okay, but it's to buy --                  23       MS. JENSEN: Are you instructing                  24 your client not to answer?                  25       MR. SCHNEIDER: If you harass him, I                  Page 118</p>
<p>1           <b>SEXTON - CONFIDENTIAL</b>                  2   will.                  3       MS. JENSEN: I'm not harassing. I'm                  4 absolutely not harassing. So let me ask my                  5 questions and let him give me the answers.                  6 And right now you're -- you're coaching                  7 him, so --                  8       MR. SCHNEIDER: No, he's answered                  9 it -- I let him answer twice, and then on                  10 the third time, you're trying to                  11 recharacterize it. That's improper.                  12       MS. JENSEN: No, I'm not trying to                  13 recharacterize it at all. I'll trying to                  14 flush it out.                  15       I think the question is still                  16 pending.                  17       (Record read.)                  18       THE WITNESS: Again, we were kind of                  19 thinking about it. When you build a                  20 business, you have to understand who your                  21 market is and what their need is. And if                  22 their need's not currently being met by                  23 other products or services on the market,                  24 then there's an opportunity.                  25       So the opportunity for us was to get                  Page 119</p>	<p>1           <b>SEXTON - CONFIDENTIAL</b>                  2   people engaged in training and education                  3 with a specific purpose of building their                  4 business. So when we talk about acting and                  5 motivating, we were trying to act -- get                  6 small business owners to act on their own                  7 behalf to build their skill base so that                  8 they could grow their business and achieve                  9 their goals.                  10       BY MS. JENSEN:                  11       <b>Q. And they -- they would do so how? I</b>                  12 <b>guess I'm not understanding the end --</b>                  13       A. Sure.                  14       <b>Q. -- the end result here.</b>                  15       A. So the end result is, if I can give                  16 a store owner in Idaho an opportunity to take a                  17 marketing class from Don Sexton, a tenured                  18 professor at Columbia Business School, for \$300,                  19 I want to do everything I can to get him to take                  20 that class because that class is fundamentally                  21 going to change the way he approaches his                  22 business.                  23       And that's not -- that was never                  24 available anywhere at that time. And to the best                  25 of my knowledge, you start seeing a little bit of                  Page 120</p>

30 (Pages 117 to 120)

CONFIDENTIAL

Michael Sexton

Makaeff v. Trump University

1           SEXTON - CONFIDENTIAL  
 2     it being available now, but that was a very  
 3     compelling value proposition from my standpoint.  
 4     **Q. And so for purposes of this**  
 5     **hypothetical, did Don Sexton offer these courses**  
 6     **through Trump University?**  
 7     A. Yes, he did.  
 8     **Q. Online? They're online courses?**  
 9     A. Yes.  
 10    **Q. Did he ever teach at a live event?**  
 11    A. No. We specifically wanted him as a  
 12    subject matter expert for the e-learning courses.  
 13    **Q. Besides the equity that you**  
 14    **discussed earlier as to Donald Trump, did he --**  
 15    **was there consideration given on behalf of Trump**  
 16    **University to obtain the license agreement?**  
 17           MR. SCHNEIDER: Objection. Vague.  
 18           THE WITNESS: No. Everything was  
 19           included in this operating agreement.  
 20    BY MS. JENSEN:  
 21    **Q. Okay. Was -- the operating**  
 22    **agreement, was that written up by Trump**  
 23    **Organization?**  
 24    A. Yes, it was.  
 25    **Q. Jason Greenblatt?**

Page 121

1           SEXTON - CONFIDENTIAL  
 2     A. Just to clarify, that's my last  
 3     formal day. I helped with transition. Obviously  
 4     no compensation, but helped manage a transition  
 5     for, you know, I don't know a month and a half  
 6     after that, something like that, as-needed.  
 7     Were there discussions about  
 8     bankruptcy?  
 9     MR. SCHNEIDER: Those would be  
 10    discussions outside of the presence of any  
 11    counsel.  
 12    THE WITNESS: I can't think of any  
 13    time we discussed that outside of the  
 14    presence of counsel.  
 15    BY MS. JENSEN:  
 16    **Q. Do you know whether there's an**  
 17    **ongoing discussion about whether to file for**  
 18    **bankruptcy on behalf of Trump University?**  
 19    MR. SCHNEIDER: Objection.  
 20    Foundation.  
 21    And, first, I doubt there's a  
 22    foundation, but -- about what's currently  
 23    going on, but any information that you  
 24    personally have unrelated to counsel --  
 25    THE WITNESS: I have no information.

Page 123

1           SEXTON - CONFIDENTIAL  
 2     A. Yes.  
 3     **Q. Do you have an understanding at that**  
 4     **time as to why Trump Organization was providing**  
 5     **legal services for Trump University's operating**  
 6     **agreement? Was there an agreement that Trump**  
 7     **Organization would provide legal services for**  
 8     **Trump University?**  
 9     A. I can't talk to what happened before  
 10    the formation of the company, how Greenblatt was  
 11    acting on behalf of the managing member. I don't  
 12    know. I will say subsequent to that, we had --  
 13    you know, we used one of the few things we used  
 14    the Trump Organization for as a shared service  
 15    was the legal department, if that's your  
 16    question.  
 17    **Q. Yes. Thank you.**  
 18    A. For part of our agreements.  
 19    **Q. Was that in a side agreement or in**  
 20    **writing anywhere?**  
 21    A. No, it wasn't. No.  
 22    **Q. I understand that you left the**  
 23    **company, according to your testimony today,**  
 24    **July 31, 2010. At that time, were there**  
 25    **discussions about filing for bankruptcy?**

Page 122

1           SEXTON - CONFIDENTIAL  
 2           MS. JENSEN: Just for the future,  
 3     David, if you could please finish -- I  
 4     mean, wait to start talking until after I  
 5     finish my question. I was still asking my  
 6     question. So I want to make sure we have a  
 7     clean record for this deposition.  
 8           MR. SCHNEIDER: Well, the question  
 9     said, "Do you know whether there's any  
 10    ongoing discussion about whether to file  
 11    for bankruptcy on behalf of Trump  
 12    University?"  
 13    And then I made my objection on  
 14    foundation. So were you not finished with  
 15    that question?  
 16    MS. JENSEN: You were starting to  
 17    talk before I had finished that question.  
 18    So apparently we have a very proficient  
 19    court reporter who can still clean it up.  
 20    But I'm saying for a clean record --  
 21    MR. SCHNEIDER: Sure.  
 22    MS. JENSEN: -- and also for  
 23    courtesy, if you could just please wait  
 24    until I've finished, I'd appreciate it.  
 25    That's all I'm asking.

Page 124

31 (Pages 121 to 124)

CONFIDENTIAL

Michael Sexton

Makaeff v. Trump University

<p>1           SEXTON - CONFIDENTIAL                  2 to do. We were the exact opposite.                  3           And that was our position, was it's                  4 not about ivy tower. It's about practical, at                  5 the time very cost-effective, very, very                  6 high-quality education delivered tactically and                  7 quickly to your computer. You know, so, no, I                  8 don't -- we went to great pains to make it clear                  9 this wasn't my intent, it wasn't traditional                  10 education.                  11       <b>Q. It was for e-learning?</b>                  12       A. Correct. Not only e-learning, this                  13 is continuing ed for working adults. And this is                  14 very practically focused education to help build                  15 specific skills that could help business people                  16 achieve their goals.                  17       <b>Q. And you've used the term "continuing</b>                  18 <b>education" a couple of times. To be clear, did</b>                  19 <b>Trump University offer any credits for continuing</b>                  20 <b>legal requirements -- I mean, continuing</b>                  21 <b>education requirements?</b>                  22       A. "Continuing education" is a very                  23 broad term. It doesn't -- a portion of it infer                  24 continuing ed credits; but continuing ed is --                  25 you can go to a learning annex and you can take</p> <p style="text-align: right;">Page 157</p>	<p>1           SEXTON - CONFIDENTIAL                  2 continuing ed course; right?                  3           We -- we were certified by the -- by                  4 IACAT to offer continuing ed credits. It's                  5 I-A-C-A-T. I forget what the acronym stands for,                  6 but we went through that certification process                  7 and received -- received approval grant                  8 continuing ed credits for -- for our courses.                  9       <b>Q. Did Trump University ever seek</b>                  10 <b>accreditation to become a university?</b>                  11       A. No, never.                  12       <b>Q. And besides the names Trump</b>                  13 <b>University LLC, Trump University CA LLC, and</b>                  14 <b>Trump Entrepreneur Initiative LLC, did Trump</b>                  15 <b>University ever operate under another name?</b>                  16       A. I believe there's another name in                  17 Canada. Again, I believe that Delaware Corp. --                  18 there was a Canadian -- they don't call them LLCs                  19 out there, they call them something else.                  20 Something else. But I believe that fed into the                  21 Delaware Corp. And I believe we called it Trump                  22 Education in Canada. So that would be the only                  23 other name that would appear, that I can recall.                  24       <b>Q. Was it Trump Education, perhaps?</b>                  25       A. Trump Education, but it's Trump</p> <p style="text-align: right;">Page 158</p>
<p>1           SEXTON - CONFIDENTIAL                  2 Education like U -- ULC or something.                  3       <b>Q. Was the brand name Trump U used in</b>                  4 <b>Maryland and the D.C. area?</b>                  5       A. We did use Trump U in certain                  6 states.                  7       <b>Q. Why was that term used in certain</b>                  8 <b>states?</b>                  9       A. I believe the states that used that                  10 were additional states that regulated the word                  11 "university."                  12       <b>Q. When you say "additional states," do</b>                  13 <b>you mean besides New York?</b>                  14       A. Yes.                  15       <b>Q. Why did you feel the need to use</b>                  16 <b>Trump U instead of Trump University in those</b>                  17 <b>states?</b>                  18       A. I think in Maryland, we may have                  19 gotten a call from the education department,                  20 something like that. I guess Massachusetts,                  21 probably something similar. And we just agreed                  22 to change, and the -- and the state was happy                  23 with that.                  24       <b>Q. So to be clear, did you start off</b>                  25 <b>using the term "Trump University" in those states</b></p> <p style="text-align: right;">Page 159</p>	<p>1           SEXTON - CONFIDENTIAL                  2 and then you changed that --                  3       A. Yes, we did.                  4       <b>Q. -- after you got that phone call?</b>                  5       A. Yes.                  6       <b>Q. And in -- in New York, it's my</b>                  7 <b>presumption you didn't get a call until May of</b>                  8 <b>2010, or did you get a call before then from --</b>                  9       A. No, we got a call -- if it's --                  10 spring of 2010, sometime in that time frame.                  11       <b>Q. Right.</b>                  12       A. Yes. And it was brought to our                  13 attention that there was an issue with the name                  14 and we quickly changed it.                  15       <b>Q. Do you have an understanding of</b>                  16 <b>why -- why they waited until spring of 2010?</b>                  17       MR. SCHNEIDER: Objection. Calls                  18 for speculation.                  19       THE WITNESS: When was this -- when                  20 was this lawsuit filed?                  21       MR. SCHNEIDER: April or May of                  22 2010.                  23       THE WITNESS: I would suspect that                  24 was the cause for . . .                  25</p> <p style="text-align: right;">Page 160</p>

40 (Pages 157 to 160)

CONFIDENTIAL

Michael Sexton

Makaeff v. Trump University

<p>1           SEXTON - CONFIDENTIAL                  2 BY MS. JENSEN:                  3     <b>Q. That's fine. Anyway, it doesn't</b>                  4 <b>matter what I think.</b>                  5     A. I would suspect. I don't know.                  6     <b>Q. Okay. Okay. Sure.</b>                  7           How was the name Trump Entrepreneur                  8 Initiative chosen?                  9     A. We brainstormed a number of                  10 different names, shared them with Mr. Trump. And                  11 I think we all agreed that Trump Entrepreneur                  12 Initiative captured -- was kind of a very                  13 mission-oriented name that captured what we were                  14 trying to do, to create a creative generation of                  15 entrepreneurs out there.                  16     <b>Q. So that decision was made in</b>                  17 <b>conjunction with Donald Trump?</b>                  18     A. Yes, it was.                  19     <b>Q. And who else contributed to that</b>                  20 <b>decision?</b>                  21     A. Michael Bloom. I know Mr. Trump                  22 asked other people's opinions as well internally.                  23     <b>Q. Are you familiar with a document</b>                  24 <b>called the playbook?</b>                  25     A. Yes, I am.</p> <p style="text-align: right;">Page 161</p>	<p>1           SEXTON - CONFIDENTIAL                  2     <b>Q. Who created that document?</b>                  3     A. David Highbloom did, with assistance                  4 from April Neumann.                  5     <b>Q. Do you know when --</b>                  6     A. Probably others within that team.                  7     <b>Q. Do you know when it was created?</b>                  8     A. I believe the first one was created                  9 prior to an annual meeting in Atlanta, Georgia in                  10 I believe December of 2008.                  11     <b>Q. Was it updated over time?</b>                  12     A. It was. It was -- it was treated as                  13 kind of a living document that evolved as we                  14 added regulations, rules. I know the big updates                  15 came -- in addition to updates over time, the big                  16 updates came prior to annual training. So that                  17 would have been December of '09 and December of                  18 '10 as well, in New Orleans and Las Vegas,                  19 respectively.                  20     <b>Q. I'm sorry, were there annual</b>                  21 <b>meetings after you left in July 2010?</b>                  22     A. No. Did I mess up the dates again?                  23     <b>Q. That's okay.</b>                  24     A. Move all those back again.                  25     <b>Q. So Atlanta 2007?</b></p> <p style="text-align: right;">Page 162</p>
<p>1           SEXTON - CONFIDENTIAL                  2     A. Yes.                  3     <b>Q. New Orleans in 2008?</b>                  4     A. Yes.                  5     <b>Q. And Las Vegas in 2009?</b>                  6     A. Thank you, yes. That also solves                  7 the mystery.                  8     <b>Q. You threw me off there.</b>                  9     A. Those dates are killing me.                  10     <b>Q. Okay. And what was the purpose of</b>                  11 <b>the playbook?</b>                  12     A. It was -- it was an aggregation of                  13 all the standard operating procedures, rules,                  14 regulations that governed how we as an                  15 organization behaved and acted out in the field.                  16     <b>Q. Going back to the name, when you</b>                  17 <b>were changing the name to Trump Entrepreneur</b>                  18 <b>Initiative, did you consider any names that did</b>                  19 <b>not have Trump in them?</b>                  20     A. No, we did not.                  21     <b>Q. And why was it important to retain</b>                  22 <b>the name Trump?</b>                  23     A. We believed it had brand equity.                  24 There was value to it. Certainly from a                  25 continuity standpoint, it made a tremendous</p> <p style="text-align: right;">Page 163</p>	<p>1           SEXTON - CONFIDENTIAL                  2 amount of sense; but at the end of the day, the                  3 brand was critical to the business.                  4     <b>Q. When the New York Department of</b>                  5 <b>Education contacted Trump University, do you know</b>                  6 <b>whether it did so by letter?</b>                  7     A. It did so by letter, yes.                  8     <b>Q. And to whom was it addressed? Do</b>                  9 <b>you know? Was it addressed to you?</b>                  10     A. I believe it was. I believe it was.                  11     <b>Q. What did Trump University do in</b>                  12 <b>response to the letter?</b>                  13     A. We spoke to Joseph Frey at the                  14 Department of Education.                  15     <b>Q. Can you spell Joseph's name for the</b>                  16 <b>record?</b>                  17     A. Last name F-R-E-Y.                  18           We obviously referred it immediately                  19 to counsel as well.                  20     <b>Q. By "counsel," who do you mean?</b>                  21     A. George Sorial.                  22     <b>Q. George Sorial, for the record, is</b>                  23 <b>with?</b>                  24     A. Trump Organization.                  25     <b>Q. And did you -- did you -- did you</b></p> <p style="text-align: right;">Page 164</p>

41 (Pages 161 to 164)

CONFIDENTIAL

Michael Sexton

Makaeff v. Trump University

<p>1           <b>SEXTON - CONFIDENTIAL</b>                  2 ever respond by letter or in writing?                  3       A. I didn't.                  4       <b>Q. Do you know whether Trump University</b>                  5 <b>did?</b>                  6       A. I don't know. I imagine we did. I                  7 don't know.                  8       <b>Q. Do you know whether any documents</b>                  9 <b>were produced to the New York Department of</b>                  10 <b>Education?</b>                  11       A. I don't believe so, but I don't know                  12 for sure.                  13       <b>Q. Do you know who would know?</b>                  14       A. George Sorial.                  15       <b>Q. Would -- George Sorial would also</b>                  16 <b>know if there was any letter of response to the</b>                  17 <b>New York Department of Education?</b>                  18       A. Yes.                  19       <b>Q. And to your understanding, did the</b>                  20 <b>New York Department of Education notify Trump</b>                  21 <b>University that the use of the term "university"</b>                  22 <b>violated the rules of the board of regents?</b>                  23       A. Yes.                  24       <b>Q. And, again, that was by a letter as</b>                  25 <b>well, that same letter that you received?</b></p> <p style="text-align: right;">Page 165</p>	<p>1           <b>SEXTON - CONFIDENTIAL</b>                  2       A. Yes.                  3       <b>Q. So to tie this up, in -- the upshot</b>                  4 <b>of this investigation, as I understand it, was</b>                  5 <b>that Trump University changed its name; correct?</b>                  6       A. (Witness nods head in the                  7 affirmative.)                  8       <b>Q. Were there any other consequences or</b>                  9 <b>actions taken as a result of that investigation?</b>                  10       A. No.                  11       <b>Q. Were there any fines imposed?</b>                  12       A. No.                  13       <b>Q. Penalties?</b>                  14       A. No.                  15       <b>Q. Anything else?</b>                  16       A. No.                  17       <b>Q. Besides the companies that we've</b>                  18 <b>discussed, does Trump University have any parent</b>                  19 <b>company?</b>                  20       A. No.                  21       <b>Q. Actually, let me take that</b>                  22 <b>disclaimer out of there.</b>                  23                 <b>Does Trump University have a parent</b>                  24 <b>company?</b>                  25       A. No.</p> <p style="text-align: right;">Page 166</p>
<p>1           <b>SEXTON - CONFIDENTIAL</b>                  2       <b>Q. Does it have any subsidiaries?</b>                  3       A. Again, I would direct you to Steve                  4 Matejek. The only one I can think of is the                  5 Canadian entity, which, again, I believe was                  6 called Trump Education, I believe it's ULC up                  7 there, which I believe is a wholly owned                  8 subsidiary of Trump University LLC.                  9       <b>Q. Does Trump University have any other</b>                  10 <b>affiliates?</b>                  11       A. No, not that I'm aware of.                  12       <b>Q. Or has it throughout its history?</b>                  13       A. No.                  14       <b>Q. What is Prosper, Incorporated,</b>                  15 <b>P-R-O-S-P-E-R?</b>                  16       A. Prosper was -- it is a -- they're                  17 kind of a sales and marketing partner that will                  18 work with branded entities and provide -- kind of                  19 partner to provide marketing and sales and --                  20 marketing and sales support as well as execution                  21 of specifically coaching.                  22       <b>Q. So getting a little more specific,</b>                  23 <b>what did Prosper provide for Trump University?</b>                  24       A. So early, and I guess in 2005 it                  25 would have been, they made a proposal to us, and</p> <p style="text-align: right;">Page 167</p>	<p>1           <b>SEXTON - CONFIDENTIAL</b>                  2 we agreed to pilot it to -- where they would                  3 market a coaching program, a real estate coaching                  4 program under the Trump University brand. And                  5 they would incur the costs to market it. And                  6 then they demonstrated to us they had expertise                  7 in that area. They would sell coaching programs                  8 and they would deliver coaching programs                  9 specifically in the area of real estate.                  10       <b>Q. And was it done under Prosper's name</b>                  11 <b>or under Trump University's name?</b>                  12       A. Trump University's name.                  13       <b>Q. And were there any agreements,</b>                  14 <b>written agreements, between Trump University and</b>                  15 <b>Prosper which memorialized that relationship?</b>                  16       A. There was an agreement for a pilot.                  17 I believe it was -- it covered kind of a test,                  18 like a memo of understanding, that kind of thing.                  19       <b>Q. And who was primarily responsible</b>                  20 <b>for negotiating that -- executing that?</b>                  21       A. I was.                  22       <b>Q. And did Trump University make a</b>                  23 <b>portion of the revenues?</b>                  24       A. Correct. So that was a revenue                  25 share.</p> <p style="text-align: right;">Page 168</p>

CONFIDENTIAL

Michael Sexton

Makaeff v. Trump University

<p>1           SEXTON - CONFIDENTIAL</p> <p>2   okay. And, if they're not okay, then we would</p> <p>3   have a conversation and also give the instructor</p> <p>4   coaching on what -- what was the appropriate</p> <p>5   thing to say, if any, at the time.</p> <p>6   <b>Q. Do you know what those reports were</b></p> <p>7   <b>called?</b></p> <p>8   A. We didn't call them anything. It</p> <p>9   was kind of a process. They were just compliance</p> <p>10   review. I guess compliance review.</p> <p>11   <b>Q. Okay. You didn't just make that up,</b></p> <p>12   <b>did you?</b></p> <p>13   A. It sounded right, so I'm going with</p> <p>14   it. I believe it was called compliance review.</p> <p>15   <b>Q. Okay. Do you know -- do you know</b></p> <p>16   <b>which employees did those reviews?</b></p> <p>17   A. So outside counsel -- you're talking</p> <p>18   about the initial review of either the transcript</p> <p>19   and/or audio?</p> <p>20   <b>Q. The initial --</b></p> <p>21   A. Outside counsel initially did them.</p> <p>22   And then two outsourced partners did them that</p> <p>23   weren't -- it wasn't a full-time job. It</p> <p>24   was . . .</p> <p>25   <b>Q. But the -- but the documents -- the</b></p> <p style="text-align: right;">Page 189</p>	<p>1           SEXTON - CONFIDENTIAL</p> <p>2   <b>recordings would have been on the Trump</b></p> <p>3   <b>University system; right?</b></p> <p>4   A. Correct.</p> <p>5   <b>Q. And the compliance reviews would</b></p> <p>6   <b>have been on the Trump University system?</b></p> <p>7   A. Yes. They would have been, yes.</p> <p>8   <b>Q. Okay.</b></p> <p>9   A. And by "system," I mean they would</p> <p>10   have been -- a lot of those would have ended up</p> <p>11   on my hard drive. There wasn't any system.</p> <p>12   There wasn't a like shared server anywhere. They</p> <p>13   would have ended up on my hard drive if I was the</p> <p>14   one giving feedback back to the instructor.</p> <p>15   <b>Q. Okay. There was a server at Trump</b></p> <p>16   <b>University, correct, or were there only a series</b></p> <p>17   <b>of hard drives?</b></p> <p>18   A. I believe -- I only used my hard</p> <p>19   drive. I believe there was a shared server</p> <p>20   that -- Matejek I think set up a shared server</p> <p>21   for his finance team. Honestly, I don't recall.</p> <p>22   There may have been, actually. Now I'm sitting</p> <p>23   here, I actually don't recall. I think there</p> <p>24   was. It wasn't -- it wasn't resident there. It</p> <p>25   was --</p> <p style="text-align: right;">Page 190</p>
<p>1           SEXTON - CONFIDENTIAL</p> <p>2   MR. SCHNEIDER: Don't speculate.</p> <p>3   Just testify to what you know.</p> <p>4   THE WITNESS: Okay. Got it.</p> <p>5   (Discussion off the record.)</p> <p>6   BY MS. JENSEN:</p> <p>7   <b>Q. Did you -- you reviewed the</b></p> <p>8   <b>compliance reviews; correct?</b></p> <p>9   A. Most of them. David would have</p> <p>10   reviewed some as well. Kind of divide and</p> <p>11   conquer on that.</p> <p>12   <b>Q. And based on your review, did you</b></p> <p>13   <b>generate any correspondence or documents?</b></p> <p>14   A. No. Those were important. We</p> <p>15   picked up the phone immediately and had a</p> <p>16   one-on-one with the instructor so they understood</p> <p>17   exactly where we're coming from, our position.</p> <p>18   MS. JENSEN: I see that we are out</p> <p>19   of time on the tape. Why don't we go ahead</p> <p>20   and change the tape.</p> <p>21   THE VIDEOGRAPHER: The time is 3:32</p> <p>22   and we're off the record.</p> <p>23   (Recess from the record.)</p> <p>24   THE VIDEOGRAPHER: The time is 4:07.</p> <p>25   This begins Tape No. 4 of the videotaped</p> <p style="text-align: right;">Page 191</p>	<p>1           SEXTON - CONFIDENTIAL</p> <p>2   deposition of Michael Sexton.</p> <p>3   BY MS. JENSEN:</p> <p>4   <b>Q. Mr. Sexton, during the break, we</b></p> <p>5   <b>discussed there might be some ambiguity about the</b></p> <p>6   <b>relationship between Trump University LLC and</b></p> <p>7   <b>Trump University CA LLC. If there was something</b></p> <p>8   <b>you wanted to clarify from your testimony, I</b></p> <p>9   <b>invite you to do so.</b></p> <p>10   A. There may have been a misconception</p> <p>11   that monies flowed from Trump University LLC into</p> <p>12   the Canadian entity. And to the best of my</p> <p>13   knowledge, other than some small monies to seed</p> <p>14   that account, that wasn't the case. Monies</p> <p>15   flowed from the other way.</p> <p>16   So when we had events in Canada,</p> <p>17   there's a bank account in Canada and we paid for</p> <p>18   the cost of those events and taxes, obligations</p> <p>19   for those events out of that account, and</p> <p>20   whatever balance remained flowed back to the LLC.</p> <p>21   So I just wanted to make that clear.</p> <p>22   <b>Q. That is helpful. Thank you.</b></p> <p>23   Before we broke, we went on break,</p> <p>24   we discussed the compliance process. First I</p> <p>25   wanted to establish a time frame for that</p> <p style="text-align: right;">Page 192</p>

48 (Pages 189 to 192)



CONFIDENTIAL

Michael Sexton

Makaeff v. Trump University

<p>1           <b>SEXTON - CONFIDENTIAL</b>                  2 <b>compliance process.</b>                  3           <b>When was that compliance process</b>                  4 <b>instituted?</b>                  5           A. Very early in the -- in our                  6 launching of the -- our live events, Trump                  7 University live events. I believe we recorded                  8 them from the get-go. And the policy continued                  9 to be refined over time, but the bulk was in                  10 place very early in our live events -- our live                  11 events -- staging our live events.                  12           <b>Q. Was that in the 2007 time frame?</b>                  13           A. I would imagine. I don't recall the                  14 exact date, but I would imagine.                  15           <b>Q. And when did Peter Hoppenfeld come</b>                  16 <b>on board?</b>                  17           A. As outside counsel?                  18           <b>Q. Yes.</b>                  19           A. Again, I don't recall the exact                  20 date. I would say sometime in 2008.                  21           <b>Q. And so up until he came on board,</b>                  22 <b>was somebody reviewing the recordings for</b>                  23 <b>compliance?</b>                  24           A. I don't recall.                  25           <b>Q. And was Peter Hoppenfeld brought on</b>                  Page 193</p>	<p>1           <b>SEXTON - CONFIDENTIAL</b>                  2 <b>board because of concerns about FTC regulations?</b>                  3           A. No, no. He was -- he was -- he is a                  4 very well-recognized expert in this industry.                  5 He's been in the industry for 25, 30 years. So                  6 we leapt at the chance to work with him when he                  7 left his previous employer. Not that we employed                  8 him. We used him as outside counsel, but when we                  9 had the opportunity, we wanted to do that.                  10           <b>Q. Which firm was he with at the time</b>                  11 <b>when you brought him on board?</b>                  12           A. He actually formerly was the general                  13 counsel for BSG and their other entities.                  14           <b>Q. Then when you were working with him,</b>                  15 <b>for what firm did he work?</b>                  16           A. For his own firm.                  17           <b>Q. Did -- were the compliance</b>                  18 <b>procedures -- were they written down anywhere,</b>                  19 <b>the actual policies and procedures for</b>                  20 <b>compliance?</b>                  21           A. Yes, I believe they were.                  22           <b>Q. Do you know what the name of the</b>                  23 <b>document was?</b>                  24           A. I'm sorry, I do not.                  25           <b>Q. Did legal review -- did any legal</b>                  Page 194</p>
<p>1           <b>SEXTON - CONFIDENTIAL</b>                  2 <b>counsel review Trump University's marketing</b>                  3 <b>and/or advertisement materials?</b>                  4           A. Yes.                  5           <b>Q. And which counsel did that?</b>                  6           A. Peter Hoppenfeld certainly reviewed                  7 materials.                  8           <b>Q. How about course materials?</b>                  9           A. I believe Peter Hoppenfeld reviewed                  10 course materials as well.                  11           <b>Q. How about the requirements for</b>                  12 <b>instructors to the extent they were written down?</b>                  13           A. Requirements in terms of?                  14           <b>Q. For the terms of employment or</b>                  15 <b>contracting.</b>                  16           A. I see. Yes, Peter was -- Peter was                  17 very active in helping us script those as well.                  18           <b>Q. How about any credentials for the</b>                  19 <b>instructors?</b>                  20           A. Yes. We worked with Peter to put in                  21 a process to vet instructors.                  22           <b>Q. Was that in writing?</b>                  23           A. I believe it was. Yes, I know it                  24 was.                  25           <b>Q. Do you know what document that would</b>                  Page 195</p>	<p>1           <b>SEXTON - CONFIDENTIAL</b>                  2 <b>have been?</b>                  3           A. I don't. I wouldn't know the name                  4 of it.                  5           <b>Q. Do you know what time frame that</b>                  6 <b>was?</b>                  7           A. I know we got more sophisticated                  8 over time. And I imagine kind of our near final                  9 version would have been sometime in early 2009,                  10 late 2008.                  11           <b>Q. Did legal review any live</b>                  12 <b>presentation material?</b>                  13           A. The PowerPoint presentation?                  14           <b>Q. Yes.</b>                  15           A. Yes.                  16           <b>Q. Did all Trump University personnel</b>                  17 <b>receive a copy of the playbook that we discussed</b>                  18 <b>earlier?</b>                  19           A. All of the entire field team did.                  20 So anybody that was involved in any way in any                  21 aspect of the field operation did. Somebody like                  22 in finance did not.                  23           <b>Q. Did that include all the</b>                  24 <b>instructors?</b>                  25           A. Yes.                  Page 196</p>

49 (Pages 193 to 196)

CONFIDENTIAL

Michael Sexton

Makaeff v. Trump University

1           SEXTON - CONFIDENTIAL  
 2           **Q. And all the mentors?**  
 3           A. Yes.  
 4           **Q. And all the other speakers?**  
 5           A. Yes, yes.  
 6           **Q. And then also the sales reps that**  
 7 **accompanied --**  
 8           A. Yes.  
 9           **Q. -- them at the live events?**  
 10           **I presume along with the -- so if**  
 11 **they received a copy, they were also required to**  
 12 **review it; correct?**  
 13           A. Yes. They were required to attend  
 14 the annual training which the purpose of which  
 15 was to lay out what our standard operating  
 16 procedures were, not really from a content  
 17 standpoint, but from a procedural standpoint. So  
 18 we -- that's where we made sure everybody was on  
 19 the same page with regards to how we operated in  
 20 the field.  
 21           **Q. And was that with respect to all --**  
 22 **all aspects of being out in the field?**  
 23           MR. SCHNEIDER: Objection. Vague.  
 24           You mean not content?  
 25           THE WITNESS: The primary purpose  
 Page 197

1           SEXTON - CONFIDENTIAL  
 2           was focused on operational procedures, so  
 3           dos and don'ts, how we behave, whatever  
 4           innovations we were coming up with in the  
 5           process improvement standpoint. You  
 6           can't -- it was a two-day meeting. We  
 7           didn't have time to get into content, but  
 8           it was about making sure we had a  
 9           disciplined approach and a consistent  
 10           approach to how we operated.  
 11           BY MS. JENSEN:  
 12           **Q. Were there other retreats or other**  
 13 **mandatory meetings where content was discussed?**  
 14           A. The only time the -- the content was  
 15 discussed at the annual meeting. Not everybody  
 16 had been to, for instance, a commercial advanced  
 17 training. So the individual that was teaching  
 18 that gave a brief synopsis of what materials were  
 19 covered so individuals got a sense of what that  
 20 experience was like so they could share it with  
 21 prospective students. Other than that, no.  
 22           **Q. What is the profit from real estate**  
 23 **orientation program?**  
 24           A. I don't know.  
 25           **Q. Would that be the same as the**  
 Page 198

1           SEXTON - CONFIDENTIAL  
 2           **preview that we discussed earlier?**  
 3           A. Over the period of time, we called  
 4 that preview event different things. That name  
 5 doesn't ring a bell. The word "orientation" is  
 6 throwing me. I don't recall ever using that, but  
 7 profit from real estate was what at one point we  
 8 called our introductory three-day workshop.  
 9           **Q. So to be clear, let me step back for**  
 10 **a second. And from our conversation of this**  
 11 **morning, I understand there is a 90-minute**  
 12 **preview --**  
 13           A. Correct.  
 14           **Q. -- correct?**  
 15           **And from there, there is a**  
 16 **fulfillment program; correct?**  
 17           A. There is a three-day workshop.  
 18           **Q. And is that the same as the profit**  
 19 **from real estate?**  
 20           A. I believe so. Again, we called it  
 21 different things. As kind of the market  
 22 conditions changed, moved into foreclosures, we  
 23 had a foreclosure-focused name. But I believe  
 24 earlier on that's what we called it.  
 25           **Q. Does the term -- name the front end**  
 Page 199

1           SEXTON - CONFIDENTIAL  
 2           **mean anything to you?**  
 3           A. It does. That was kind of  
 4 colloquial for the preview.  
 5           **Q. So were there any other terms used**  
 6 **for the preview, that you can recall?**  
 7           A. Typically it was preview or front  
 8 end. Those are the only ones I can recall.  
 9           **Q. They were -- they were the same**  
 10 **thing; correct?**  
 11           A. Exact same thing, yes.  
 12           **Q. And they were the same thing**  
 13 **regardless of the location in which they took**  
 14 **place; correct?**  
 15           MR. SCHNEIDER: Well, objection.  
 16           Are you saying those two names or  
 17 are you saying that they're all the same  
 18 programs? What do you mean when you say  
 19 "they're the same thing."  
 20           MS. JENSEN: I'm saying they're the  
 21 same program; correct?  
 22           MR. SCHNEIDER: These two names, the  
 23 90-minute versus the front end, or all  
 24 90-minute programs the same?  
 25           MS. JENSEN: The front end and the  
 Page 200

50 (Pages 197 to 200)

CONFIDENTIAL

Michael Sexton

Makaeff v. Trump University

<p>1           SEXTON - CONFIDENTIAL</p> <p>2       preview.</p> <p>3           MR. SCHNEIDER: Were those two names</p> <p>4       interchangeable?</p> <p>5           THE WITNESS: They words all</p> <p>6       interchangeable.</p> <p>7       BY MS. JENSEN:</p> <p>8           Q.   Yes. And they referred to the same</p> <p>9       program; correct?</p> <p>10          A.   They referred to the 90-minute free</p> <p>11       introductory program.</p> <p>12          Q.   Correct. Okay.</p> <p>13               And you weren't familiar with the</p> <p>14       term "profit from real estate orientation," but</p> <p>15       did you also hear it called orientation program</p> <p>16       or anything else?</p> <p>17          A.   It sounds clumsy. It may have been</p> <p>18       something early on that we used to describe that.</p> <p>19       I don't recall it, though. But I wouldn't be</p> <p>20       surprised.</p> <p>21          MR. SCHNEIDER: I want to caution</p> <p>22       you not to guess or speculate. Just answer</p> <p>23       what you know.</p> <p>24          THE WITNESS: I don't know.</p> <p>25</p> <p style="text-align: right;">Page 201</p>	<p>1           SEXTON - CONFIDENTIAL</p> <p>2       BY MS. JENSEN:</p> <p>3           Q.   And was there a PowerPoint for the</p> <p>4       front end or the preview?</p> <p>5          A.   There were many over time. Again,</p> <p>6       that was a -- it was a very dynamic kind of</p> <p>7       event. It changed quite a bit, specifically in</p> <p>8       relation to market conditions. It changed in</p> <p>9       relation to feedback we got from the market. And</p> <p>10       it changed just in cooperation working with</p> <p>11       instructors on what we kind of collectively felt</p> <p>12       was most effective at the time.</p> <p>13          Q.   And at any given time, though, they</p> <p>14       were all taught with a PowerPoint; correct?</p> <p>15          A.   They were all taught with a</p> <p>16       PowerPoint. The PowerPoint wasn't necessarily</p> <p>17       always the same. Certainly early on, there was</p> <p>18       far more variability than there was towards the</p> <p>19       end in the actual PowerPoint presentation. We</p> <p>20       made attempts to standardize that, not as</p> <p>21       successful as we probably would have liked.</p> <p>22          Q.   I'm sorry, when you say "not as</p> <p>23       successful as we probably would have liked," what</p> <p>24       do you mean by that?</p> <p>25          A.   Well, in an ideal world, you'd have</p> <p style="text-align: right;">Page 202</p>
<p>1           SEXTON - CONFIDENTIAL</p> <p>2       one presentation that everybody would use. And</p> <p>3       from my standpoint, you want to be able to</p> <p>4       deliver something consistently. The reality is</p> <p>5       that that's impossible. Every instructor has</p> <p>6       their own style. Every marketplace has its own</p> <p>7       nuances. And you need to make it local to make</p> <p>8       it resonate and relevant to people. The same --</p> <p>9               Phoenix is a very different real</p> <p>10       estate market than South Bend, Indiana. And it</p> <p>11       would be silly to give the same presentation in</p> <p>12       both markets because it wouldn't make sense. So</p> <p>13       whereas from a management standpoint, I would</p> <p>14       love to be able to say a widget is a widget is a</p> <p>15       widget, the reality was that that just wasn't</p> <p>16       possible and it wasn't the right thing.</p> <p>17          Q.   Were all the PowerPoints -- let me</p> <p>18       back up.</p> <p>19               A PowerPoint was always used;</p> <p>20       correct?</p> <p>21          A.   Yes, 100 percent of the time.</p> <p>22          Q.   And was that PowerPoint always</p> <p>23       approved in advance?</p> <p>24          A.   I'd like to say yes, but the reality</p> <p>25       is not always.</p> <p style="text-align: right;">Page 203</p>	<p>1           SEXTON - CONFIDENTIAL</p> <p>2           Q.   And were there consequences for not</p> <p>3       using the preapproved PowerPoint?</p> <p>4          A.   Yes and no. We -- when we started</p> <p>5       out, like I said, from a -- theoretically you</p> <p>6       wanted to be consistent. And I was probably too</p> <p>7       insistent on that and learned over time that it</p> <p>8       was okay to have some variability. And so as</p> <p>9       long as -- as long as it was variability for the</p> <p>10       right reasons and there was a strong -- there was</p> <p>11       a logical rationale for why changes were made, I</p> <p>12       learned to be fine with that.</p> <p>13          Q.   And so when you say "variability,"</p> <p>14       you're talking about specific issues related to</p> <p>15       that local real estate market?</p> <p>16          A.   So -- exactly. So a good example</p> <p>17       would be, we had an instructor, on their own,</p> <p>18       they would fly in early and drive around and take</p> <p>19       pictures of real properties for sale in that</p> <p>20       geographic market. And we didn't tell them to do</p> <p>21       that. It was their idea, their initiative.</p> <p>22               And initially you'd say, that's</p> <p>23       crazy, why are you changing the presentation?</p> <p>24       And then you take a step back and you say, that's</p> <p>25       brilliant. You're not only showing real deals</p> <p style="text-align: right;">Page 204</p>

51 (Pages 201 to 204)

CONFIDENTIAL

Michael Sexton

Makaeff v. Trump University

1           SEXTON - CONFIDENTIAL  
 2           THE WITNESS: If you're asking  
 3           what -- if there's a document that shows  
 4           which instructors used specifically which  
 5           presentation at a specific preview event,  
 6           no, no.  
 7       BY MS. JENSEN:  
 8           Q.   Was there e-mail correspondence  
 9           concerning the schedule of events with the  
 10          instructor who was going to present?  
 11          A.   Yes, there was.  
 12          Q.   And who -- who was on that e-mail  
 13          correspondence?  
 14          A.   So we would send out, I believe on  
 15          weekly basis, kind of a master schedule looking  
 16          out maybe three or four weeks for every event  
 17          just so people could plan travel and such. If  
 18          you're asking who's on the distribution of that?  
 19          Q.   Uh-huh.  
 20          A.   Everybody who would have been  
 21          affected. So anybody that was on a field team,  
 22          every speaker that was -- whether they're working  
 23          or not that period of time, the staff at the  
 24          office who had to make sure materials flowed from  
 25          one place to another, certainly the marketing  
 Page 225

1           SEXTON - CONFIDENTIAL  
 2           would be like. And ultimately we found you can  
 3           weed out people fairly quickly that either don't  
 4           know what they're talking about, just don't have  
 5           any depth of content, they're not credible, or  
 6           people that just weren't gifted speakers. I  
 7           mean, they couldn't -- nobody was going to listen  
 8           to them.  
 9           But after that, there's no real way  
 10          to simulate. We can put them in a room and they  
 11          can talk to us all day long, but then we put them  
 12          on stage.  
 13          Q.   And by "we," do you mean yourself?  
 14          A.   No.  
 15          Q.   Or somebody else -- who auditioned  
 16          them?  
 17          A.   Oh, no. So I would -- it would  
 18          typically be David and myself. And we would fly  
 19          them into a market where we -- where we were  
 20          having an event, secure a spare room and  
 21          literally try to replicate the environment that  
 22          they would face in a preview.  
 23          Q.   Was their ability to sell the Trump  
 24          University programs an important component of  
 25          their -- of their qualifications?  
 Page 227

1           SEXTON - CONFIDENTIAL  
 2           folks who had to support those events, all the  
 3           instructors. You know, really just about  
 4           everybody.  
 5           Q.   And who kept the master schedule?  
 6           A.   April Neumann.  
 7           Q.   Do you recall, sitting here, the  
 8           names of the presenters for the free program?  
 9           A.   I can certainly recall some of them.  
 10          Q.   Okay. For those that you can name,  
 11          why don't you go ahead and list them.  
 12          A.   Steve Goff. Gerald Martin. Steven  
 13          Ligman. James Harris. I believe Gene Gorino.  
 14          There's the bulk of them.  
 15          Q.   How were these speakers selected to  
 16          provide these free presentations?  
 17          A.   So they were -- again, they were  
 18          referred to us. We would interview with them.  
 19          We got fairly sophisticated over time where we  
 20          would have them give them the presentation, give  
 21          them whatever time they felt they needed to  
 22          prepare, fly them in and they would audition for  
 23          us live.  
 24          But initially we didn't do that.  
 25          Initially it was more give us a sense of what it  
 Page 226

1           SEXTON - CONFIDENTIAL  
 2           A.   Certainly a component. I think our  
 3           litmus test began with do they know what they're  
 4           talking about, do they have the content knowledge  
 5           to be credible; second, can they communicate  
 6           effectively, you know; and third, can they sell;  
 7           you know, and I guess fourth -- the fourth  
 8           probably is not in the right order, but certainly  
 9           there was an intangible there, are these people  
 10          that we feel good about doing business with. And  
 11          can they embody our values.  
 12          And believe me, there are lots of  
 13          speakers that met the other three criteria and  
 14          didn't meet that fourth one that we didn't -- and  
 15          we didn't obviously move forward with them.  
 16          Q.   And in terms of the presentation,  
 17          the content was provided to them; correct?  
 18          A.   Yes.  
 19          Q.   Okay.  
 20          A.   Yes. I'm sorry, the physical  
 21          presentation was provided to them.  
 22          Q.   Right. Right.  
 23          A.   Yes.  
 24          Q.   Where were the free programs  
 25          advertised?  
 Page 228

57 (Pages 225 to 228)

CONFIDENTIAL

Michael Sexton

Makaeff v. Trump University

<p>1           <b>SEXTON - CONFIDENTIAL</b>                  2           MR. SCHNEIDER: Just for                  3 clarification, are you talking about the                  4 PowerPoint slides?                  5           THE WITNESS: The PowerPoint slides.                  6           MR. SCHNEIDER: Not the actual                  7 presentation.                  8           THE WITNESS: I guess, when I say                  9 "presentation," there's no script -- when I                  10 say "presentation," I mean the PowerPoint,                  11 not the physical slides.                  12 <b>BY MS. JENSEN:</b>                  13 <b>Q. Right.</b>                  14           A. Where were they marketed? We tested                  15 and used many channels. Print media. Online.                  16 Both e-mail and display advertisements. I                  17 believe we tested paid search. We tested radio.                  18 We did direct mail. And I believe we even tested                  19 other forms of social media.                  20 <b>Q. Okay. Taking them in turn, print</b>                  21 <b>media. Where did you advertise in print media?</b>                  22           A. It would -- it would -- it would                  23 depend a lot on the market. Some markets not at                  24 all because it wasn't effective. Some markets it                  25 really depended on our past experience. We would                  Page 229</p>	<p>1           <b>SEXTON - CONFIDENTIAL</b>                  2 test -- certainly test it. Some markets there                  3 may be an alternative weekly. Some maybe the                  4 LA Times. Sometimes we'd go to LA and do the                  5 secondary paper chain out there. I'm forgetting                  6 what it's called.                  7           Washington, D.C. -- we would never                  8 do the Post. It wasn't effective. We would do                  9 the Times and the Examiner.                  10           New York, we tested the Post. We                  11 tested the Free Metro. We tested -- you know,                  12 the Westchester Journal -- we constantly tested                  13 and tried to figure out which one worked.                  14 <b>Q. Were there any other print media</b>                  15 <b>that you can remember that Trump University</b>                  16 <b>advertised itself in?</b>                  17           A. Dozens and dozens of papers across                  18 the country.                  19 <b>Q. Were they all mainstream newspapers</b>                  20 <b>or were there any other -- any other types of</b>                  21 <b>print ads that Trump University advertised itself</b>                  22 <b>through?</b>                  23           A. I guess I wouldn't qualify --                  24 majority were what I would call mainstream                  25 newspaper. The only exception -- I would call                  Page 230</p>
<p>1           <b>SEXTON - CONFIDENTIAL</b>                  2 the Free Metro paper we have here that they hand                  3 out in the subways, I wouldn't call that a                  4 mainstream newspaper, but we tried that as well.                  5 But in other markets, it was either the primary                  6 or the secondary paper.                  7 <b>Q. Okay. E-mail you mentioned -- I'm</b>                  8 <b>sorry, let me back up.</b>                  9           <b>Online, you said that there was</b>                  10 <b>online advertising. What were the channels for</b>                  11 <b>online advertising?</b>                  12           A. I know we tested online display ads.                  13 I don't believe it was effective. It wasn't a                  14 standard part of our mix, but we tested it.                  15 <b>Q. Display ads being?</b>                  16           A. Banners or skyscraper ads that you                  17 typically see on a web page. Everything                  18 obviously was geo targeted to the local                  19 marketplace.                  20 <b>Q. Were there particular -- particular</b>                  21 <b>websites or were there Google searches or any --</b>                  22 <b>what types of, I guess, medium or vehicles did</b>                  23 <b>you use?</b>                  24           A. On the dismay, we tried to tar- --                  25 we had a profile of our target demographic. We                  Page 231</p>	<p>1           <b>SEXTON - CONFIDENTIAL</b>                  2 wanted people that were -- in our audience was                  3 75 percent male. Typical age -- our target age                  4 was 40 to 48, something like that, maybe 40 to                  5 55, something like that. We had an income                  6 threshold. We wanted them to be college                  7 educated.                  8           So effectively, you go to a media                  9 buyer that -- with your profile, here's what I                  10 want and here are the dates I want to run it and                  11 here's the city I want to run it in, and I don't                  12 want it to be on any objectionable sites at all.                  13 And they come back and they say, okay, here's                  14 what it will cost you and, you know, do you want                  15 to place the insertion order.                  16           So that's typically how it works.                  17 You don't have -- for this kind of thing, it's                  18 not like you're going to be on the front page of                  19 Yahoo!                  20 <b>Q. And who was in charge of the media</b>                  21 <b>channels?</b>                  22           A. Michael Bloom.                  23 <b>Q. For e-mail, where did you all --</b>                  24 <b>where did you all get the list for e-mail</b>                  25 <b>advertisements?</b>                  Page 232</p>

58 (Pages 229 to 232)

CONFIDENTIAL

Michael Sexton

Makaeff v. Trump University

<p>1           <b>SEXTON - CONFIDENTIAL</b></p> <p>2           A. So we would work with specific media</p> <p>3 companies, again to give them our -- to give them</p> <p>4 our profile of who we're looking for. And they</p> <p>5 had a proprietary e-mail list, and they would</p> <p>6 send out our e-mail to their house list, their</p> <p>7 database of members.</p> <p>8           <b>Q. Which companies did you work with</b></p> <p>9 <b>for the e-mail leads?</b></p> <p>10          A. Probably our biggest relationship,</p> <p>11 , most successful one, was a company called Beyond.com,</p> <p>12 which -- it's a big operator of kind of secondary</p> <p>13 employment-oriented website. I think they've got</p> <p>14 3,000 websites around the country</p> <p>15          <b>Q. And were there -- was there e-mail</b></p> <p>16 <b>correspondence with them about your target</b></p> <p>17 <b>market?</b></p> <p>18          A. Oh, yes. I would imagine, yes.</p> <p>19          <b>Q. Would that e-mail come from you or</b></p> <p>20 <b>Michael Bloom or somebody else?</b></p> <p>21          A. It would have come from Michael.</p> <p>22          <b>Q. And paid search?</b></p> <p>23          A. I know we tried it. It was not part</p> <p>24 of our mix, so I'm going to assume it didn't</p> <p>25 work.</p> <p style="text-align: right;">Page 233</p>	<p>1           <b>SEXTON - CONFIDENTIAL</b></p> <p>2           <b>Q. Okay. I don't even know what that</b></p> <p>3 <b>term means.</b></p> <p>4          A. "Paid search"?</p> <p>5          <b>Q. Yes.</b></p> <p>6          A. It's simply a Google ad word where</p> <p>7 if somebody typed in "real estate investing</p> <p>8 New York," it would appear.</p> <p>9          <b>Q. Okay. Google. Got it. Got it.</b></p> <p>10 <b>Okay. I do know that term.</b></p> <p>11          <b>Radio, did you do -- place radio ads</b></p> <p>12 <b>on -- on specific radio stations?</b></p> <p>13          A. Again, we experimented with that.</p> <p>14 It did not work at all. And we didn't test it</p> <p>15 again.</p> <p>16          <b>Q. Okay. Direct mail, where did you</b></p> <p>17 <b>get addresses for the direct mail?</b></p> <p>18          A. We worked with -- in direct mail,</p> <p>19 you typically work with a list broker. Again,</p> <p>20 you give them the profile, here's the kind of</p> <p>21 people we want. And they've got 10,000 different</p> <p>22 lists that -- magazines and newspaper. Everybody</p> <p>23 rents their names and addresses of their</p> <p>24 subscribers.</p> <p>25          And we would test in any market, I</p> <p style="text-align: right;">Page 234</p>
<p>1           <b>SEXTON - CONFIDENTIAL</b></p> <p>2 don't know, five, ten different lists. And you</p> <p>3 can track back -- very specifically back to that</p> <p>4 list, what your successful rate was. And the</p> <p>5 ones that performed, the next time you're there,</p> <p>6 you do more of.</p> <p>7          <b>Q. Are there any companies that you can</b></p> <p>8 <b>think of that you worked with on the -- the list</b></p> <p>9 <b>brokers?</b></p> <p>10          A. Oh, it was a fairly well-known list</p> <p>11 broker that lots of people work with.</p> <p>12          <b>Q. So, again, there would be e-mails</b></p> <p>13 <b>between Michael Bloom and --</b></p> <p>14          A. Oh, sure, yes.</p> <p>15          <b>Q. -- that company describing the</b></p> <p>16 <b>target market, et cetera?</b></p> <p>17          A. Yes, there would be.</p> <p>18          <b>Q. Moving to the fulfillment, is</b></p> <p>19 <b>fulfillment the same -- the same thing as the</b></p> <p>20 <b>profit from real estate workshop?</b></p> <p>21          A. Yes, it is. But, again, we changed</p> <p>22 that name over time. It was called the fast</p> <p>23 track to foreclosure investing workshop. I</p> <p>24 forget the last name we called it.</p> <p>25          <b>Q. The back end --</b></p> <p style="text-align: right;">Page 235</p>	<p>1           <b>SEXTON - CONFIDENTIAL</b></p> <p>2          A. That's just a slang. That's -- the</p> <p>3 front and back, those are kind of slang terms.</p> <p>4 But we tried to brand that particular workshop</p> <p>5 with a name, like fast track for foreclosure</p> <p>6 investing or profit from real estate.</p> <p>7          <b>Q. Were there any other names by which</b></p> <p>8 <b>that -- that workshop was called?</b></p> <p>9          A. Yes.</p> <p>10          <b>Q. What are those other names?</b></p> <p>11          A. Those were two. I think it was only</p> <p>12 called -- I think we only called it three other</p> <p>13 things -- three things. Blueprint, real estate</p> <p>14 blueprint. Anyway, I forget. I'm sure it's in</p> <p>15 this material somewhere.</p> <p>16          <b>Q. But they were all the 1495 three-day</b></p> <p>17 <b>training?</b></p> <p>18          A. We experimented with different price</p> <p>19 points. So you should know we did some price</p> <p>20 testing, but it was always the three-day</p> <p>21 workshop, kind of our introductory --</p> <p>22 introduction to real estate investing workshop,</p> <p>23 regardless of what the brand was we put on top of</p> <p>24 it.</p> <p>25          <b>Q. Who created that program?</b></p> <p style="text-align: right;">Page 236</p>

UNITED STATES DISTRICT COURT

FOR THE SOUTHERN DISTRICT OF CALIFORNIA

TARLA MAKAEFF, BRANDON KELLER, ED OBERKROM  
and PATRICIA MURPHY, on Behalf of Themselves  
and all others Similarly Situated,

Plaintiffs,

CASE NO.: 10 CV 0940 EIG (WVG)

-against-

TRUMP UNIVERSITY, LLC (AKA TRUMP  
ENTREPRENEUR INITIATIVE) a New York  
Limited Liability Company, DONALD J. TRUMP,  
and DOES 1 through 50, inclusive,

Defendants.

-----  
VIDEOTAPED DEPOSITION of MICHAEL SEXTON

Volume II

August 23, 2012

New York, New York

Reported by:  
Eileen Mulvenna  
CSR/RMR/CRR  
Job No. 10003487

CONFIDENTIAL

Michael Sexton

Makaeff v. Trump University

<p>1           <b>** CONFIDENTIAL ** CONFIDENTIAL **</b>                  UNITED STATES DISTRICT COURT                  FOR THE SOUTHERN DISTRICT OF CALIFORNIA                  CASE NO.: 10 CV 0940 EIG (WVG)                  -----X                  TARLA MAKAEFF, BRANDON KELLER, ED OBERKROM                  and PATRICIA MURPHY, on Behalf of Themselves                  and all others Similarly Situated,                                      Plaintiffs,                  -against-                    TRUMP UNIVERSITY, LLC (AKA TRUMP                  ENTREPRENEUR INITIATIVE) a New York                  Limited Liability Company, DONALD J. TRUMP,                  and DOES 1 through 50, inclusive,                                      Defendants.                  -----X                                    August 23, 2012                                    9:14 a.m.                    CONTINUED VIDEOTAPED DEPOSITION OF                  MICHAEL SEXTON, 30(b)(6) Witness in the                  above-captioned matter, taken by Plaintiffs, held                  at 725 Fifth Avenue, New York, New York, before                  Eileen Mulvenna, CSR/RMR/CRR, Certified Shorthand                  Reporter, Registered Merit Reporter, Certified                  Recalltime Reporter and Notary Public of the State                  of New York.</p> <p style="text-align: right;">Page 279</p>	<p>1           <b>** CONFIDENTIAL ** CONFIDENTIAL **</b>                  2    <b>APPEARANCES:</b>                  3                  4                  5           ZELDES &amp; HAEGGQUIST, LLP                            Attorneys for Plaintiffs                            625 Broadway                            Suite 906                            San Diego, California 92101                  7    BY: AMBER L. ECK, ESQ.                            amberc@zhlaw.com                  8           AARON M. OLSEN, ESQ.                            aaron@zhlaw.com                  9                  10                  11          YUNKER &amp; SCHNEIDER                            Attorneys for Defendants                            655 West Broadway                            Suite 1400                            San Diego, California 92101                  12       BY: DAVID K. SCHNEIDER, ESQ.                            dks@ysl.com                  13                  14       <b>ALSO PRESENT:</b>                  15                  16                     Richard Ramos, Videographer                  17                  18                  19                  20                  21                  22                  23                  24                  25</p> <p style="text-align: right;">Page 280</p>
<p>1           <b>SEXTON - CONFIDENTIAL</b>                  2           <b>THE VIDEOGRAPHER: Good morning.</b>                  3           This is the continuation of the                  4           videotaped deposition of Michael Sexton in                  5           the matter of Tarla Makaeff, et al., versus                  6           Trump University LLC, et al., on 8/23/2012                  7           at approximately 9:14 a.m.                  8           My name is Richard Ramos, the video                  9           specialist. The court reporter is Eileen                  10          Mulvenna.                  11          Will the court reporter please swear                  12          in the witness, please.                  13       <b>MICHAEL SEXTON,</b>                  14          having been duly resworn by Eileen Mulvenna,                  15          a Notary Public of the State of New York,                  16          was examined and testified further as                  17          follows:                  18       <b>EXAMINATION (Cont'd)</b>                  19       <b>BY MS. ECK:</b>                  20       <b>Q. Good morning, Mr. Sexton.</b>                  21       <b>A. Good morning.</b>                  22       <b>Q. My name is Amber Eck. I'm one of</b>                  23       <b>the attorneys for the plaintiffs in this matter.</b>                  24       <b>We're continuing your 30(b)(6) deposition from</b>                  25       <b>yesterday.</b></p> <p style="text-align: right;">Page 281</p>	<p>1           <b>SEXTON - CONFIDENTIAL</b>                  2           <b>You mentioned yesterday that Trump</b>                  3           <b>University entered into a licensing agreement</b>                  4           <b>with BSG; is that correct?</b>                  5           <b>A. That's correct.</b>                  6           <b>Q. I'd like you to turn to page</b>                  7           <b>TUI29757 in the binders.</b>                  8           <b>MR. SCHNEIDER: 129757?</b>                  9           <b>MS. ECK: Right.</b>                  10          I'd like to mark this as Exhibit                  11          No. 7. Actually, you know what, that was                  12          his employment agreement we marked                  13          yesterday. Let's mark -- it's TU 1581                  14          through TU 1602. We'll mark that as                  15          Exhibit 7.                  16          (Plaintiffs' Exhibit 7, Bates Nos.                  17          TU001581 through 1602, Licensing Agreement                  18          between Trump University and Business                  19          Strategies Group, marked for                  20          identification.)                  21       <b>BY MS. ECK:</b>                  22       <b>Q. Do you recognize this document?</b>                  23       <b>(Witness peruses the exhibit.)</b>                  24       <b>A. Yes, I do.</b>                  25       <b>Q. What is it?</b></p> <p style="text-align: right;">Page 282</p>

1 (Pages 279 to 282)



CONFIDENTIAL

Michael Sexton

Makaeff v. Trump University

1           SEXTON - CONFIDENTIAL  
 2       just show me where you are? Are you on  
 3       page 22?  
 4       MS. ECK: Yes.  
 5       MR. SCHNEIDER: Under -- on the  
 6       left --  
 7       MS. ECK: One hour twenty minutes  
 8       into event.  
 9       MR. SCHNEIDER: Thank you.  
 10       THE WITNESS: Yes.  
 11 BY MS. ECK:  
 12       **Q. Do you know what ad the reference**  
 13 **print ad refers to?**  
 14       A. If -- if there was a print  
 15 advertisement in that market, the print  
 16 advertisements typically would feature the  
 17 premium or the giveaway that they would have at  
 18 that event, if there was one. So that's what  
 19 the -- that refers to.  
 20       **Q. So when it says "Display free**  
 21 **premium," the premium was the gift that you would**  
 22 **receive for attending the seminar?**  
 23       A. Correct.  
 24       **Q. And what kind of gifts did Trump**  
 25 **University give away?**

Page 311

1           SEXTON - CONFIDENTIAL  
 2       A. They changed over time. We tested  
 3       many different ones. We would -- we certainly  
 4       used a number of CDs that we gave away that had  
 5       an audio course on them and workbooks and that  
 6       sort of thing. We experimented with giving -- I  
 7       think at one point we gave out access codes on a  
 8       printed card that people could go home and access  
 9       password-protected e-learning courses online.  
 10       Those are the ones I recall.  
 11       **Q. If you could turn to page 33 of the**  
 12 **handbook, which is TU52966. Under "Evening**  
 13 **prior," it indicates "Student profiles**  
 14 **distributed." What were those student profiles?**  
 15 **What did they look like or what did they contain?**  
 16 **(Witness peruses the exhibit.)**  
 17       A. So I'm just reading this, but at  
 18 this point, the student profiles would be blank  
 19 profile sheets that contained the data fields  
 20 that we discussed yesterday; namely, a snapshot  
 21 of the -- of the individual's financial goals,  
 22 their, I believe, current assets and liabilities,  
 23 I believe their time frame for achieving their  
 24 stated goals. I'm sure I'm missing some other  
 25 data fields on that.

Page 312

1           SEXTON - CONFIDENTIAL  
 2       **Q. But at this point, they don't**  
 3 **contain substantive information from the**  
 4 **students?**  
 5       A. Well, again, I'm reading this as the  
 6 evening prior to the workshop, nobody's shown up  
 7 yet, so we wouldn't have any opportunity to talk  
 8 to students and distribute those.  
 9       MR. SCHNEIDER: Amber, this is  
 10 saying the evening prior -- what they're  
 11 going to do the next day. They're talking  
 12 about when they're going to do things.  
 13 They're saying the event team meets, they  
 14 walk the space and they discuss the plan of  
 15 action, registration, team introductions,  
 16 format and when the student profiles would  
 17 be distributed.  
 18       So in the meeting, for example, I'm  
 19 telling you, hey, tomorrow when we have our  
 20 presentation, after we do the whole  
 21 presentation or 15 minutes into it, that's  
 22 when we're going to distribute the student  
 23 profiles and ask them to give information.  
 24       So this is a pre -- a preprogram  
 25 discussion as to timing, as to when things

Page 313

1           SEXTON - CONFIDENTIAL  
 2       are going to be distributed.  
 3       MS. ECK: I guess since it says  
 4 "Evening prior to fulfillment," they've  
 5 already attended the free 90-minute  
 6 seminar, so Trump University may already  
 7 have certain information on them that might  
 8 be contained in a profile.  
 9       MR. SCHNEIDER: Maybe you should ask  
 10 that. I don't think they get any profile  
 11 information in the 90-minute program.  
 12       THE WITNESS: No information is  
 13 collected prior to the -- I should say no  
 14 information on the student profile is  
 15 collected. Obviously we have their name,  
 16 address.  
 17 BY MS. ECK:  
 18       **Q. During the fulfillment seminar, the**  
 19 **three-day \$1500 seminar, are completed profiles**  
 20 **provided to the instructors?**  
 21       A. So student profiles are distributed  
 22 to attendees. And the students, at their  
 23 discretion, can complete them and meet with any  
 24 team member to review it. Typically those  
 25 meetings happened -- I shouldn't say typically --

Page 314

9 (Pages 311 to 314)

CONFIDENTIAL

Michael Sexton

Makaeff v. Trump University

<p>1           SEXTON - CONFIDENTIAL                  2 I believe exclusively they happened after hours                  3 or during breaks from the workshop itself.                  4       <b>Q. When you say "any" team members, who</b>                  5 <b>were the team members that would be at this</b>                  6 <b>fulfillment seminar?</b>                  7       A. So typically the instructor. And                  8 depending on -- we had certain ratios of                  9 attendees to team members. So -- I don't recall                  10 what the exact ratio is, but depending on the                  11 size of the audience, it would be anywhere from,                  12 I imagine, one to three coordinators who would be                  13 part of that team.                  14       <b>Q. So there's instructors, and then who</b>                  15 <b>were the other team members?</b>                  16       A. We're listing them here as sales                  17 coordinators and then program coordinators.                  18       <b>Q. What type of people were these?</b>                  19 <b>Were these instructors, mentors, or what did you</b>                  20 <b>call them? Was this really their title, sales</b>                  21 <b>coordinator and program coordinator?</b>                  22       A. Those were their titles.                  23       <b>Q. So these weren't people that provide</b>                  24 <b>mentorship or do -- instruct on courses?</b>                  25       A. No, these were not instructors.</p> <p style="text-align: right;">Page 315</p>	<p>1           SEXTON - CONFIDENTIAL                  2 These were --                  3       <b>Q. They were salespeople?</b>                  4       A. Well, they were individuals that had                  5 some level of real estate experience, but they                  6 were there to help manage the overall workshop.                  7 And they had some sales experience as well.                  8       <b>Q. On page 36 of the playbook, which is</b>                  9 <b>52969, it again talks about profile sheets and</b>                  10 <b>says, "Team works together to identify potential</b>                  11 <b>buyers with student profile sheets."</b>                  12           And this is in the evening of day                  13 one. So now do they have information on the                  14 profile sheets?                  15       A. Yes, for the individual attendees                  16 that elected to provide information, they would                  17 have that at that time.                  18       <b>Q. And how did the individuals provide</b>                  19 <b>information? What form did they fill out or in</b>                  20 <b>what form was it?</b>                  21       A. It was a paper-based form. There's                  22 only one copy. It was returned to the                  23 individuals after the review.                  24       <b>Q. What was it called?</b>                  25       A. Student profile sheet.</p> <p style="text-align: right;">Page 316</p>
<p>1           SEXTON - CONFIDENTIAL                  2       <b>Q. What information was contained on</b>                  3 <b>the student profile sheet?</b>                  4       A. Again, as we've discussed, it was                  5 information pertaining to the student's goals, I                  6 believe both financial and otherwise; the time                  7 frame they desired to achieve those goals in;                  8 what -- a snapshot at a high level of what their                  9 resources were, both assets and liabilities. And                  10 again, I'm forgetting on there -- I'm forgetting                  11 other fields, but there were others, I imagine.                  12       <b>Q. Did it ask them to list their credit</b>                  13 <b>cards and the amount of credit limits?</b>                  14       A. I don't recall that specifically.                  15       <b>Q. Did it ask them to list their banks</b>                  16 <b>and their bank account balances?</b>                  17       A. I don't believe we ever asked for                  18 specific banks. That wasn't the intent. But                  19 certainly assets, yes.                  20       <b>Q. If you could turn to page 40 of the</b>                  21 <b>handbook, which is TU52973. At the top, it</b>                  22 <b>discusses survey distribution and says,</b>                  23 <b>"Distributed surveys to all attendees and</b>                  24 <b>collects, once completed, in exchange for</b>                  25 <b>certificates."</b></p> <p style="text-align: right;">Page 317</p>	<p>1           SEXTON - CONFIDENTIAL                  2       Did that mean that the students                  3 needed to turn in their evaluation form in order                  4 to receive a certificate?                  5       A. I don't recall. I don't recall that                  6 being a policy.                  7       <b>Q. And the forms that asked the</b>                  8 <b>students to rate the instructors and the programs</b>                  9 <b>on the scale from one to five, are those referred</b>                  10 <b>to as surveys?</b>                  11       A. Yes, those are.                  12       <b>Q. If you could turn to page 71 of the</b>                  13 <b>handbook, which is TU53004. It states, about</b>                  14 <b>halfway down, that "TU presentations must be</b>                  15 <b>approved in advance and you may not change or</b>                  16 <b>modify presentations/slides without prior</b>                  17 <b>approval."</b>                  18           Was that Trump University's policy?                  19       A. That was our policy.                  20       <b>Q. It states a few lines down, "You may</b>                  21 <b>not share a personal story or testimonial unless</b>                  22 <b>and until appropriate documentation and support</b>                  23 <b>has been provided to TU and the story/testimonial</b>                  24 <b>has been approved in advance."</b>                  25           Was that Trump University's policy</p> <p style="text-align: right;">Page 318</p>

10 (Pages 315 to 318)

CONFIDENTIAL

Michael Sexton

Makaeff v. Trump University

<p>1           <b>SEXTON - CONFIDENTIAL</b>                  2   <b>during just some portion?</b>                  3       A. Just during some portions of that                  4   period, we experimented with a pricing plan that                  5   gave a discount. If you purchased education and                  6   training at the event, you would get a discount.                  7       <b>Q. Do you know what portions of that</b>                  8   <b>time period --</b>                  9       A. I do not.                  10       <b>Q. The next bullet point states that</b>                  11 <b>corporate should be notified if there is an</b>                  12 <b>express or implied earnings claim given or a</b>                  13 <b>guarantee. Were you aware of instructors or</b>                  14 <b>mentors providing an expressed or implied</b>                  15 <b>earnings claim stating that the students would</b>                  16 <b>make a certain amount of money or that they were</b>                  17 <b>guaranteed something?</b>                  18       A. No.                  19       <b>Q. Were you aware of instructors</b>                  20 <b>telling students that they were either guaranteed</b>                  21 <b>or likely to make back the entire amount they</b>                  22 <b>spent in their first deal or two?</b>                  23       A. No.                  24       <b>Q. If you knew that instructors were</b>                  25 <b>saying that, would that be grounds for</b>                  Page 355</p>	<p>1           <b>SEXTON - CONFIDENTIAL</b>                  2   <b>termination?</b>                  3       A. I don't know. You'd have to be back                  4   in the situation and understand explicitly what                  5   they said. I can't make a judgment now, looking                  6   backwards.                  7       <b>Q. The next section states that all</b>                  8   <b>Trump University events will be recorded. When</b>                  9   <b>did that policy go into effect?</b>                  10       A. I couldn't tell you the exact date,                  11   but I believe from the first time we had a                  12   seminar or a workshop or a preview or any sort of                  13   live event.                  14       <b>Q. What was the purpose for that?</b>                  15       A. It was for purposes of quality and                  16   compliance.                  17       <b>Q. Is there a list that Trump</b>                  18 <b>University kept of all of the tapes or all of the</b>                  19 <b>live events?</b>                  20       A. Of all of the live events --                  21       <b>Q. So, in other words, if there were</b>                  22 <b>tapes of all of these different events and</b>                  23 <b>they're all compiled, is there some kind of table</b>                  24 <b>of contents or list of what all these tapes are,</b>                  25 <b>all the events are?</b>                  Page 356</p>
<p>1           <b>SEXTON - CONFIDENTIAL</b>                  2       A. Not that I'm aware of.                  3       <b>Q. If you could please turn to Bates</b>                  4 <b>No. TU96011 through 96034.</b>                  5       A. I'm sorry, what is it?                  6       <b>Q. 96011 through 96034.</b>                  7       <b>(Witness peruses the exhibit.)</b>                  8       <b>Q. Do you recognize this document?</b>                  9       A. No.                  10       <b>Q. Do you know whether it was a portion</b>                  11 <b>of a playbook or an earlier version of a</b>                  12 <b>playbook?</b>                  13       A. I don't believe it was.                  14       <b>Q. Do you know what it is?</b>                  15       A. I suspect what it is.                  16       <b>Q. What do you suspect?</b>                  17       A. I suspect it's some sales tool that                  18   somebody brought to us at some point, but this                  19   was not part of our training.                  20       <b>Q. Do you know whether Trump University</b>                  21 <b>used this document?</b>                  22       A. I do not believe we ever used this                  23   document.                  24       <b>Q. If you can please turn to TU9603 --</b>                  25 <b>MR. SCHNEIDER: Is this to be</b>                  Page 357</p>	<p>1           <b>SEXTON - CONFIDENTIAL</b>                  2       marked?                  3       MS. ECK: It's not. Thank you.                  4       THE WITNESS: TU96 --                  5   BY MS. ECK:                  6       <b>Q. 038 through 96053.</b>                  7       <b>(Witness peruses document.)</b>                  8       <b>Q. Do you recognize this document?</b>                  9       A. I mean, I don't recognize this                  10   specific document.                  11       <b>Q. Do you know whether this script was</b>                  12 <b>used by Trump University?</b>                  13       A. I'm positive it was not, no.                  14       <b>Q. Why are you positive it was not used</b>                  15 <b>by Trump University?</b>                  16       A. Because everything that was                  17   officially used by us had a certain level of                  18   quality and a look and a feel and it was                  19   grammatically correct. And this is -- sales guys                  20   brought us junk all the time that they used in                  21   former -- this was an inside sales -- this                  22   happened all the times.                  23       Guys that worked at wherever,                  24   selling whatever, would say, hey, I'm going to                  25   search and replace "XYZ Company" for "Trump" and                  Page 358</p>

20 (Pages 355 to 358)

CONFIDENTIAL

Michael Sexton

Makaeff v. Trump University

<p>1           SEXTON - CONFIDENTIAL                  2 present this to us like it was the holy grail and                  3 this was going to be a fantastic sales tool. And                  4 we never used them because they were all crap.                  5       <b>Q. Who is Steve Miller?</b>                  6       A. Steve Miller was a mentor and                  7 instructor. May have even done some coaching for                  8 us, but definitely a mentor and an instructor.                  9 In addition to that, we also used him to vet                  10 other mentors and instructors.                  11       <b>Q. What time period did he work for</b>                  12 <b>Trump University?</b>                  13       A. I would guess fairly early in our                  14 live event side. So I would guess late 2007,                  15 early 2008 through early 2010.                  16       <b>Q. Do you know where he's working now?</b>                  17       A. I don't. I have no idea.                  18       <b>Q. What did he do before he came to</b>                  19 <b>Trump University?</b>                  20       A. He was, I assume he still is, a real                  21 estate investor. That was his primary -- as I                  22 understand it, that was his primary job.                  23       <b>Q. If you could please turn to TU19457</b>                  24 <b>[sic] through 129460.</b>                  25           MR. SCHNEIDER: 19457 to 129 --</p> <p style="text-align: right;">Page 359</p>	<p>1           SEXTON - CONFIDENTIAL                  2 MS. ECK: 129457 through 129460.                  3 MR. SCHNEIDER: Thank you.                  4 THE WITNESS: I think it's in that                  5 one (indicating).                  6 MR. SCHNEIDER: (Handing.)                  7 (Witness peruses the exhibit.)                  8 MS. ECK: Let's mark this exhibit as                  9 Exhibit 10.                  10 (Plaintiffs' Exhibit 10, Bates Nos.                  11 TU 129455 through 60, 10/1/08 Memorandum to                  12 The Mentor Team from Brad Schneider, marked                  13 for identification.)                  14 BY MS. ECK:                  15       <b>Q. At this point, in May of 2010, was</b>                  16 <b>Steve Miller the person who was interviewing and</b>                  17 <b>approving mentors?</b>                  18       A. Yes, he would have been, I believe.                  19       <b>Q. How long was he interviewing and</b>                  20 <b>approving mentors?</b>                  21       A. How long had he been by this point?                  22       <b>Q. Yes.</b>                  23       A. I believe we put that in place in                  24 2009.                  25       <b>Q. Do you know what month in 2009?</b></p> <p style="text-align: right;">Page 360</p>
<p>1           SEXTON - CONFIDENTIAL                  2       A. No.                  3       <b>Q. Who was interviewing and approving</b>                  4 <b>mentors before 2009?</b>                  5       A. David Highbloom and myself.                  6       <b>Q. The document also refers to</b>                  7 <b>"Howard." Who is Howard?</b>                  8       A. I believe that would be Howard                  9 Haller.                  10       <b>Q. Who is he?</b>                  11       A. He's a mentor.                  12       <b>Q. Was he applying for a mentorship or</b>                  13 <b>was he a person who interviewed mentors with</b>                  14 <b>Steve Miller?</b>                  15       A. I'm sorry, where is he referenced?                  16       <b>Q. He's referenced in the second</b>                  17 <b>paragraph on the first page.</b>                  18       A. No, this was -- what was the                  19 question? I'm sorry.                  20       <b>Q. Was he -- was he interviewing people</b>                  21 <b>with Steve Miller, or what was his role?</b>                  22       A. He was not interviewing people with                  23 Steve Miller. He was a mentor, but had                  24 significant experience and a very strong process                  25 orientation. So what Gillian Birnie was</p> <p style="text-align: right;">Page 361</p>	<p>1           SEXTON - CONFIDENTIAL                  2 attempting to do was to work with Howard and Troy                  3 to set up a -- a more process-driven mentorship.                  4       <b>Q. What do you mean by "process-driven</b>                  5 <b>mentorship"?</b>                  6       A. To create a more structured model                  7 for a mentorship than what it had been in the                  8 past.                  9       <b>Q. Why did Trump University feel they</b>                  10 <b>wanted to set up a more structured model?</b>                  11       A. I'm not sure we're convinced it was                  12 the right idea. I mean, you have to strike the                  13 right balance between hiring good people that are                  14 good at their jobs and empowering them to do what                  15 you hired them to do. And, you know, look, the                  16 very nature of mentorship, no two are alike.                  17       And on one hand, it would be great                  18 to structure it; but the other hand, you're doing                  19 a disservice to the student if you -- if one                  20 guy's in Santa Fe and is looking for commercial                  21 properties, by its very nature, that's going to                  22 be a dramatically different mentorship than                  23 somebody who's looking for residential                  24 foreclosures in Detroit, right.                  25       You know, what we were trying to do</p> <p style="text-align: right;">Page 362</p>

21 (Pages 359 to 362)

CONFIDENTIAL

Michael Sexton

Makaeff v. Trump University

1           SEXTON - CONFIDENTIAL  
 2 was kind of an idea of freedom within framework.  
 3 So can we provide a framework for what a  
 4 mentorship is, but balance that against the --  
 5 indeed for the mentor to ultimately prescribe  
 6 what they felt was the right experience based on  
 7 the students' explicit stated goals. And that  
 8 would be the freedom.  
 9           So, you know, can you balance --  
 10 structure a framework, but allow the mentor to  
 11 ultimately be the architect of what that  
 12 mentorship experience is, again driven by the  
 13 customer, the student, and let them -- let them  
 14 have freedom within the framework we set out for  
 15 them.  
 16           And this never came to fruition,  
 17 which should be noted.  
 18           **Q. This idea to require a certain**  
 19 **structure in the mentorships?**  
 20           A. Yes, the specific effort to create  
 21 those frameworks.  
 22           **Q. There's also a reference at the top**  
 23 **of page 129458 of a new pay structure for the**  
 24 **mentors. Did that take place?**  
 25           A. I don't know. I don't know what pay  
 Page 363

1           SEXTON - CONFIDENTIAL  
 2 **payment plan went into effect?**  
 3           A. I know it wasn't binary. We didn't  
 4 go from here's your money to -- there were  
 5 intermediates steps where we -- I believe at one  
 6 point -- so I'm kind of giving you both ends of  
 7 that. At one point in the middle, we -- there  
 8 was nothing up front. You got a portion based on  
 9 successful completion and then a portion was held  
 10 for some period of days, 30, 60 days, something  
 11 like that.  
 12           So that -- again, like many things,  
 13 it was pretty dynamic, and we were constantly  
 14 trying to tweak everything to -- to make the  
 15 delivery of our services better.  
 16           **Q. When you talk about successful**  
 17 **completion, are you talking about that they would**  
 18 **get paid at the end of the three-day in-field**  
 19 **mentorship?**  
 20           A. No. It would be based on -- well,  
 21 at some point, that was one of the -- a portion  
 22 was triggered by the in-field, and then a portion  
 23 was triggered by the completion of -- you know,  
 24 whatever it was, 60 days later.  
 25           Again, I don't remember the --  
 Page 365

1           SEXTON - CONFIDENTIAL  
 2 structure they're referencing. Obviously we did  
 3 change. We continued to tweak the compensation  
 4 program for mentors.  
 5           **Q. We discussed this a little bit**  
 6 **yesterday, but how did that change over time?**  
 7 **How were the mentors initially compensated and**  
 8 **how did that change?**  
 9           A. Initially they were -- I believe  
 10 initially it was very straightforward. We paid  
 11 them based on the successful completion -- a  
 12 fixed rate based on the successful completion of  
 13 a mentorship as measured by positive customer  
 14 feedback. I know we proactively reached out to  
 15 the student, the mentee, as well to review their  
 16 experience.  
 17           Later on we -- I think we staggered  
 18 payments. A portion -- I believe a portion was  
 19 paid up front and then a portion was -- I believe  
 20 another portion was paid upon successful  
 21 completion. And then I believe there was portion  
 22 a portion held -- held back for some period of  
 23 time to -- just to ensure that everything was --  
 24 was still good.  
 25           **Q. Do you know when that staggered**  
 Page 364

1           SEXTON - CONFIDENTIAL  
 2 recall the specific time frame, but we did tie --  
 3 we wanted everybody to understand their job  
 4 wasn't done after three days in the field.  
 5           Because there's a temptation obviously, as people  
 6 move on to the next mentorship, not to give  
 7 sufficient time to previous mentors -- mentees,  
 8 which is why we went to that compensation  
 9 structure, to make sure everybody understood the  
 10 mentorship really wasn't over until the mentee  
 11 said it was and they were happy.  
 12           **Q. Where was the pay structure --**  
 13 **compensation structure set out? Was it in a**  
 14 **general employee handbook, company guidelines, or**  
 15 **was it only in the individual agreements with the**  
 16 **mentors?**  
 17           A. It would have -- it would have  
 18 been -- again, it was fairly dynamic and changed  
 19 when we wanted it to change if we thought that it  
 20 was an improvement. So the binding -- the  
 21 binding document would have been the contract  
 22 with the -- the mentor had to agree to it,  
 23 obviously. And some didn't and that was fine.  
 24 We didn't work with them. But they had to sign  
 25 off physically on -- on their acceptance of those  
 Page 366

22 (Pages 363 to 366)

CONFIDENTIAL

Michael Sexton

Makaeff v. Trump University

1           **SEXTON - CONFIDENTIAL**  
 2 seminars in a location where another entity had  
 3 already had a course in that market?  
 4       A. I mean, it's -- it's all based on  
 5 time, right. We're going to come back to  
 6 New York, but if somebody was just in -- if Rich  
 7 Dad was just in New York, the last place I want  
 8 to be is in New York a week after Rich Dad came  
 9 through.  
 10       Because you're competing in many  
 11 ways for similar -- a similar audience, although  
 12 I know that we benchmarked our audience against  
 13 other companies and ours were -- you know, had a  
 14 higher education level, higher income level, it  
 15 was a more sophisticated group.  
 16       So I hope I answered your question.  
 17 The last thing we want to do is be in a market  
 18 anywhere near where a competitor was, but we're  
 19 going to come back to that same market.  
 20       **Q. What was your relationship like with**  
 21 **the other staff in the office or the folks at**  
 22 **40 Wall Street?**  
 23       MR. SCHNEIDER: Objection.  
 24       "Relationship."  
 25

Page 387

1           **SEXTON - CONFIDENTIAL**  
 2 relationship. You know, I certainly didn't shy  
 3 away from disciplining them. And it wasn't  
 4 always welcome and . . .  
 5       **Q. Did you have to discipline anybody**  
 6 **other than James Harris?**  
 7       A. So I use "discipline" broadly, but  
 8 when you give negative feedback to people about  
 9 what they've done and are proud of and spend a  
 10 lot of energy doing, it's not always taken  
 11 particularly well. And that -- you know, that  
 12 was the nature of the relationship.  
 13       **Q. Who did you give negative feedback**  
 14 **to?**  
 15       A. I gave constructive criticism to  
 16 just about every speaker. There was never --  
 17 there was no perfect presentation. And there was  
 18 always something that could be improved upon.  
 19 And between David and myself, we gave them -- we  
 20 gave them feedback.  
 21       **Q. What was your relationship like with**  
 22 **Donald Trump?**  
 23       A. I think it was positive.  
 24       **Q. Did you enjoy working with him?**  
 25       A. I learned a lot from Donald Trump.

Page 389

1           **SEXTON - CONFIDENTIAL**  
 2 BY MS. ECK:  
 3       **Q. Did you get along with them?**  
 4       A. Yes.  
 5       **Q. Was your office located at 40 Wall**  
 6 **Street also?**  
 7       A. Yes, it was.  
 8       **Q. What floor were you on?**  
 9       A. Thirty-second floor, I believe.  
 10       **Q. And were the other employees also on**  
 11 **the 32nd floor?**  
 12       A. Yes, they were.  
 13       **Q. Did you ever have employees on**  
 14 **different floors, or were you generally on the**  
 15 **same floor?**  
 16       A. Our initial office was on a  
 17 different floor, but when we moved, everybody  
 18 moved together.  
 19       **Q. Did you get along with the**  
 20 **instructors and mentors?**  
 21       A. Yes, by and large.  
 22       **Q. Are there some that you didn't get**  
 23 **along with?**  
 24       A. When you're the person that has to  
 25 discipline them, it's a -- it can be a complex

Page 388

1           **SEXTON - CONFIDENTIAL**  
 2       **Q. Did he like working with you?**  
 3       A. I couldn't answer that.  
 4       **Q. Have you spoken to him since you**  
 5 **left Trump University?**  
 6       A. I have not.  
 7       **Q. Have you communicated with him in**  
 8 **any way regarding this lawsuit?**  
 9       A. Since I left Trump University?  
 10       **Q. That's a good question.**  
 11           I guess have you communicated --  
 12 **first more generally, have you communicated with**  
 13 **him at all regarding this lawsuit?**  
 14       A. Yes.  
 15       **Q. Okay. When was that?**  
 16       A. While I was still at Trump  
 17 University.  
 18       **Q. What did you discuss?**  
 19       MR. SCHNEIDER: Was there counsel  
 20 present?  
 21       THE WITNESS: Yes.  
 22       MR. SCHNEIDER: That would all be  
 23 privileged.  
 24 BY MS. ECK:  
 25       **Q. Did you have any discussions with**

Page 390

28 (Pages 387 to 390)

CONFIDENTIAL

Michael Sexton

Makaeff v. Trump University

<p>1           <b>SEXTON - CONFIDENTIAL</b>                  2   <b>Donald Trump outside the presence of counsel?</b>                  3    A. About this lawsuit?                  4    <b>Q. Yes.</b>                  5    A. No.                  6    <b>Q. Have you had any conversations with</b>                  7    <b>Donald Trump since the filing of this lawsuit</b>                  8    <b>without counsel present in regard to anything?</b>                  9    A. In regard to anything.                  10   What was the date of the lawsuit                  11 again?                  12   <b>Q. I think it was end of April 2010.</b>                  13   A. I don't recall.                  14   <b>Q. When you said before that counsel</b>                  15   <b>was present in those conferences with Donald</b>                  16   <b>Trump, which counsel was that? Which attorneys?</b>                  17   A. It would have been George Sorial                  18   and/or Michael Cohen.                  19   <b>Q. Was Donald Trump angry about the</b>                  20   <b>lawsuit?</b>                  21       MR. SCHNEIDER: He's not going to                  22   talk about anything that occurred in the                  23   meeting when there was counsel there. So                  24   what they discussed, what people's                  25   demeanors were, the documents they</p> <p style="text-align: right;">Page 391</p>	<p>1           <b>SEXTON - CONFIDENTIAL</b>                  2    reviewed, that's all privileged.                  3   BY MS. ECK:                  4    <b>Q. Outside -- in any communications</b>                  5    <b>outside the presence of counsel, did Donald Trump</b>                  6    <b>reprimand you or have anything negative to say to</b>                  7    <b>you?</b>                  8       MR. SCHNEIDER: Assumes facts not in                  9   evidence. He just testified he can't                  10   recall any meetings or discussions with                  11   Donald Trump since --                  12       MS. ECK: I'm entitled to flush that                  13   out.                  14       (Discussion off the record.)                  15   BY MS. ECK:                  16    <b>Q. Do you recall any?</b>                  17    A. Again, I don't recall any specific                  18   meetings without counsel present between the                  19   lawsuit being filed and my last day.                  20    <b>Q. And who does George Sorial</b>                  21    <b>represent? Is he counsel for Donald Trump or for</b>                  22    <b>Trump Organization or for Trump University?</b>                  23       MR. SCHNEIDER: Objection.                  24   Foundation.                  25</p> <p style="text-align: right;">Page 392</p>
<p>1           <b>SEXTON - CONFIDENTIAL</b>                  2   BY MS. ECK:                  3    <b>Q. Do you know who he represents?</b>                  4    A. I don't.                  5    <b>Q. Do you know who Michael Cohen</b>                  6    <b>represents?</b>                  7    A. I don't.                  8    <b>Q. What's your experience in real</b>                  9    <b>estate?</b>                  10   A. Beyond buying my primary residence,                  11   none.                  12    <b>Q. Have you purchased or sold any other</b>                  13    <b>real estate other than your primary residence?</b>                  14    A. I have not.                  15    <b>Q. Have you made any money investing in</b>                  16    <b>real estate?</b>                  17    A. I have not.                  18    <b>Q. Did Trump University conduct any</b>                  19    <b>surveys to determine the importance to students</b>                  20    <b>of Donald Trump's involvement in Trump</b>                  21    <b>University?</b>                  22    A. No.                  23    <b>Q. Did Trump University conduct surveys</b>                  24    <b>of students other than the evaluation forms that</b>                  25    <b>were filled out at the end of seminars and</b></p> <p style="text-align: right;">Page 393</p>	<p>1           <b>SEXTON - CONFIDENTIAL</b>                  2    <b>mentorships?</b>                  3       MR. SCHNEIDER: Hang on just a                  4   second. I just want to read the question.                  5       (Pause from the record.)                  6       MS. ECK: I think the question                  7   didn't come out -- or at least didn't get                  8   transcribed as I meant it.                  9   BY MS. ECK:                  10    <b>Q. Did Trump University conduct surveys</b>                  11    <b>of students other than the evaluation surveys</b>                  12    <b>that were issued after seminars and after</b>                  13    <b>mentorships?</b>                  14    A. Yes.                  15    <b>Q. What surveys were those?</b>                  16    A. We conducted surveys to understand                  17   what areas of study people were interested in.                  18    <b>Q. Anything else?</b>                  19    A. We conducted surveys on what -- the                  20   modality of education individuals were interested                  21   in --                  22    <b>Q. What do you mean --</b>                  23    A. -- such as e-learning, classroom,                  24   coaching.                  25    <b>Q. Did you conduct surveys regarding</b></p> <p style="text-align: right;">Page 394</p>

29 (Pages 391 to 394)

CONFIDENTIAL

Michael Sexton

Makaeff v. Trump University

<p>1           <b>SEXTON - CONFIDENTIAL</b>                  2   <b>what representation students found important, so,</b>                  3   <b>in other words, whether they felt it was</b>                  4   <b>important to work with an expert in real estate</b>                  5   <b>or whether they felt it was important to work</b>                  6   <b>with someone who was going to work with them for</b>                  7   <b>one year? Did you explore certain statements</b>                  8   <b>that Trump University was making?</b>                  9           MR. SCHNEIDER: Objection. Assumes                  10          facts not in evidence.                  11           You can answer the question.                  12           THE WITNESS: Not that I recall.                  13   <b>BY MS. ECK:</b>                  14   <b>Q. And how often did Trump University</b>                  15   <b>do these other surveys, surveys other than the</b>                  16   <b>ones after courses in mentorships?</b>                  17           A. We did quite a bit initially, early                  18           on, in 2005, probably into 2006, but not                  19           regularly after that.                  20   <b>Q. Were these surveys issued to</b>                  21   <b>students who had taken courses, or were they</b>                  22   <b>issued more generally to people in Trump</b>                  23   <b>University's database?</b>                  24           A. The latter.                  25   <b>Q. How were the results of those</b></p> <p style="text-align: right;">Page 395</p>	<p>1           <b>SEXTON - CONFIDENTIAL</b>                  2   <b>surveys compiled?</b>                  3           A. I don't recall specifically, but I                  4           believe we used a third-party software, like                  5           SurveyMonkey or the like.                  6   <b>Q. Where were the results of the</b>                  7   <b>surveys kept?</b>                  8           A. By our marketing group.                  9   <b>Q. Would that be Michael Bloom?</b>                  10           A. No, back then it would have been                  11           Josef Katz.                  12   <b>Q. Did Trump University alter seminars</b>                  13   <b>or courses based on the results of these surveys?</b>                  14           A. The surveys helped define the                  15           education and training products that we                  16           ultimately developed. Your question about                  17           altering the seminars and training that we had                  18           launched, those -- the information that helped us                  19           fine-tune or evolve those really did come from                  20           the -- primarily the attendee surveys where                  21           attendees had open-ended questions and were                  22           allowed to -- or were encouraged to tell us how                  23           we could improve and what else we could do                  24           differently that they might be interested in.                  25   <b>Q. Did Donald Trump review all the</b></p> <p style="text-align: right;">Page 396</p>
<p>1           <b>SEXTON - CONFIDENTIAL</b>                  2   <b>print ads that Trump University distributed?</b>                  3           A. Yes, he did.                  4   <b>Q. Did Donald Trump review all of his</b>                  5   <b>blogs that were published on the Trump University</b>                  6   <b>website?</b>                  7           A. Yes, I believe he did.                  8   <b>Q. Did Donald Trump review Trump --</b>                  9   <b>Trump University financials?</b>                  10           A. I don't know.                  11   <b>Q. Did you review Trump University</b>                  12   <b>financials with Donald Trump?</b>                  13           A. At times.                  14   <b>Q. How frequently?</b>                  15           A. Infrequently.                  16   <b>Q. How many times per year?</b>                  17           A. I couldn't answer that.                  18   <b>Q. Less than four?</b>                  19           A. Yes.                  20   <b>Q. Less than two?</b>                  21           A. I don't know.                  22   <b>Q. When you reviewed financials with</b>                  23   <b>Donald Trump, what financial documents would you</b>                  24   <b>review?</b>                  25           A. Just a summary document prepared by</p> <p style="text-align: right;">Page 397</p>	<p>1           <b>SEXTON - CONFIDENTIAL</b>                  2   the controller.                  3   <b>Q. Who was the controller?</b>                  4           A. For Trump University?                  5   <b>Q. Yes.</b>                  6           A. Steven Matejek.                  7   <b>Q. Did you discuss advertisements with</b>                  8   <b>Donald Trump?</b>                  9           A. Yes, I did.                  10   <b>Q. How frequently?</b>                  11           A. Any time we had a new ad, we would                  12           discuss it.                  13   <b>Q. How often were there new ads</b>                  14   <b>created?</b>                  15           A. Print ads, fairly frequently. We                  16           would typically create a batch at one time and                  17           then have three or four approved -- present them                  18           to Mr. Trump, get approval on three or four                  19           different versions that we would then be able to                  20           go out and test over a period of time.                  21   <b>Q. Why did he want to be involved in</b>                  22   <b>reviewing and approving the advertisements?</b>                  23           MR. SCHNEIDER: Objection.                  24           Foundation.                  25           THE WITNESS: Mr. Trump</p> <p style="text-align: right;">Page 398</p>

30 (Pages 395 to 398)



CONFIDENTIAL

Michael Sexton

Makaeff v. Trump University

<p>1           SEXTON - CONFIDENTIAL</p> <p>2           understandably is protective of his brand</p> <p>3           and very protective of his image and how</p> <p>4           he's portrayed. And he wanted to see how</p> <p>5           his brand and image were portrayed in Trump</p> <p>6           University marketing materials. And he had</p> <p>7           very good and substantive input as well.</p> <p>8           BY MS. ECK:</p> <p>9           Q. Did -- for what other purposes would</p> <p>10          you meet with -- or discuss things with Donald</p> <p>11          Trump?</p> <p>12          A. Other than --</p> <p>13          Q. Other than advertising, the</p> <p>14          financials.</p> <p>15          A. -- advertising and marketing.</p> <p>16          State of the business.</p> <p>17          Q. How often would you meet on that?</p> <p>18          A. Periodically.</p> <p>19          Q. A few times a year?</p> <p>20          A. Maybe once a quarter.</p> <p>21          Q. Did you discuss students' or buyers'</p> <p>22          complaints with Trump University with him?</p> <p>23          A. We did not, no.</p> <p>24          Q. Did you discuss with Donald Trump</p> <p>25          students' dissatisfaction with Trump University?</p> <p style="text-align: right;">Page 399</p>	<p>1           SEXTON - CONFIDENTIAL</p> <p>2           A. I did not, no.</p> <p>3           Q. Why not?</p> <p>4           A. Because if 97 percent were</p> <p>5           satisfied, I felt the story line was 97 percent</p> <p>6           are satisfied, not 3 percent are dissatisfied.</p> <p>7           Q. Were there any other purposes that</p> <p>8           you would talk with Donald Trump about other than</p> <p>9           the ones you already mentioned?</p> <p>10          A. About new products.</p> <p>11          Q. Anything else?</p> <p>12          A. At times about other activities he</p> <p>13          was engaged in that were adjacent to our industry</p> <p>14          or maybe part of our industry.</p> <p>15          Q. Anything else?</p> <p>16          A. Not that I can recall.</p> <p>17          MS. ECK: We're almost done with</p> <p>18          this tape. Let's go ahead and take a</p> <p>19          break.</p> <p>20          THE VIDEOGRAPHER: The time is 12:31</p> <p>21          and we're off the record.</p> <p>22          (Luncheon recess from the record.)</p> <p>23</p> <p>24</p> <p>25</p> <p style="text-align: right;">Page 400</p>
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<p>1           SEXTON - CONFIDENTIAL</p> <p>2           AFTERNOON SESSION</p> <p>3           THE VIDEOGRAPHER: The time is 1:46.</p> <p>4           This begins Tape No. 8 of the videotaped</p> <p>5           deposition of Michael Sexton.</p> <p>6           MICHAEL SEXTON,</p> <p>7           having been previously sworn, resumed the</p> <p>8           stand and testified further as follows:</p> <p>9           EXAMINATION (Cont'd.)</p> <p>10          BY MS. ECK:</p> <p>11          Q. Are you aware of any lawsuits, other</p> <p>12          than this present one, that have been filed</p> <p>13          against Trump University?</p> <p>14          A. No.</p> <p>15          MS. ECK: I'd like to mark as</p> <p>16          Exhibit No. 11 a document, TU25203.</p> <p>17          (Plaintiffs' Exhibit 11, Bates No.</p> <p>18          TU 25203, List of Lawsuits, marked for</p> <p>19          identification.)</p> <p>20          MR. SCHNEIDER: Can you say the</p> <p>21          number again? I'm sorry.</p> <p>22          MS. ECK: 25203.</p> <p>23          MR. SCHNEIDER: Thank you.</p> <p>24          (Witness peruses the exhibit.)</p> <p>25</p> <p style="text-align: right;">Page 401</p>	<p>1           SEXTON - CONFIDENTIAL</p> <p>2           BY MS. ECK:</p> <p>3           Q. Do you recognize this document?</p> <p>4           A. I don't, no.</p> <p>5           Q. Do you know who created it?</p> <p>6           A. I don't.</p> <p>7           Q. Are you familiar with any of these</p> <p>8           lawsuits listed on this document?</p> <p>9           A. I guess the first one had to do with</p> <p>10          the Utah -- the Draper, Utah office space.</p> <p>11          Q. Who was located in the Utah space?</p> <p>12          A. Customers -- for a period, customer</p> <p>13          service, inside sales. That was it.</p> <p>14          Q. How many people were located in</p> <p>15          Utah?</p> <p>16          A. It varied, but at its peak, maybe a</p> <p>17          dozen.</p> <p>18          Q. Did these people all service</p> <p>19          seminars in Utah?</p> <p>20          A. No, no, no. They would -- inside</p> <p>21          sales had nothing to do with the seminars really.</p> <p>22          They were a separate entity. Customer service</p> <p>23          out there would support events anywhere by making</p> <p>24          reminder calls, that sort of thing.</p> <p>25          Q. Why did you establish an office in</p> <p style="text-align: right;">Page 402</p>
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31 (Pages 399 to 402)

CONFIDENTIAL

Michael Sexton

Makaeff v. Trump University

1           SEXTON - CONFIDENTIAL  
 2 a three full days, for a 90-minute preview.  
 3           And we gave her, I would guess,  
 4 three or four, probably more, four to six,  
 5 opportunities. And it just didn't work out I  
 6 think from both of our standpoints.  
 7           **Q. If you could look at document 102422**  
 8 **through 102426.**  
 9           A. 102422?  
 10          **Q. Yes.**  
 11           **(Witness peruses document.)**  
 12          A. I'm sorry, just to amend my previous  
 13 comment, we did have a female instructor.  
 14          **Q. What was her name?**  
 15          A. Denise Devoe, D-E-V-O-E.  
 16          **Q. During what time period was she an**  
 17 **instructor?**  
 18          A. 2007.  
 19          **Q. How many courses did she teach?**  
 20          A. Maybe a dozen, maybe more.  
 21          MR. SCHNEIDER: Are you marking  
 22 this?  
 23          MS. ECK: Not yet.  
 24          THE WITNESS: Would you care for  
 25 this back?  
 Page 455

1           SEXTON - CONFIDENTIAL  
 2 **different campaigns to promote the university?**  
 3           MR. SCHNEIDER: Objection as to the  
 4 term "campaigns."  
 5 BY MS. ECK:  
 6           **Q. Were there different themes of**  
 7 **advertising? So, for example, an apprenticeship**  
 8 **advertisement or campaign or a Trump the master**  
 9 **campaign?**  
 10          A. So we really didn't do any what I  
 11 would call brand advertising. So when you say to  
 12 promote the company, everything we did was direct  
 13 response. It was -- the vast, vast majority was  
 14 designed with one goal in mind, which was to get  
 15 people to become aware of our free previews and  
 16 to attend.  
 17          Within that context, yes, we had  
 18 dozens and dozens of different -- I guess you'd  
 19 call them campaigns, but it was really -- there  
 20 were thematic differences. There was certainly  
 21 content differences that were meaningful  
 22 differences in copy, body copy, meaningful  
 23 differences in display and layout and design.  
 24          And then, of course, there were  
 25 differences based on the media that we used,  
 Page 457

1           SEXTON - CONFIDENTIAL  
 2 BY MS. ECK:  
 3           **Q. Yes, sure.**  
 4           A. (Handing.)  
 5           **Q. This appears to be an e-mail from**  
 6 **Michael Bloom to you regarding print ads with**  
 7 **DJT's signature and title. Are you familiar with**  
 8 **this document?**  
 9           A. I believe so, yes.  
 10          **Q. And it states that -- "Your updated**  
 11 **versions incorporating your good idea to include**  
 12 **DJT's title as chairman, Trump University."**  
 13           **Was that your idea to include Donald**  
 14 **Trump's title as chairman of Trump University?**  
 15          A. I assume so, reading the -- reading  
 16 the e-mail.  
 17          **Q. Was he the chairman of Trump**  
 18 **University?**  
 19          A. Yes, he was.  
 20          **Q. Had advertisements featured his**  
 21 **position as chairman of Trump University before**  
 22 **this date?**  
 23          A. I don't recall. I don't recall  
 24 specifically.  
 25          **Q. Did Trump University have various**  
 Page 456

1           SEXTON - CONFIDENTIAL  
 2 whether it was direct mail versus print versus  
 3 e-mail and so on. Then there was even geographic  
 4 differentiations based on the market we were  
 5 specifically targeting.  
 6           **Q. Was one of these themes Donald Trump**  
 7 **saying, I want you to be my apprentice?**  
 8           A. I believe we used that theme, yes.  
 9           **Q. Was that called like an**  
 10 **apprenticeship theme, or did it have a title?**  
 11          A. We didn't really title it that way.  
 12          **Q. Was that apprenticeship theme**  
 13 **successful or popular with potential students?**  
 14          A. We were pretty consistently A, B  
 15 test design. So test two different designs and  
 16 measure which one performed better. I think it  
 17 was highly dependent upon seasonality. So if The  
 18 Apprentice was running, I think our thinking was  
 19 let's -- there's a millions of dollars in  
 20 advertisement for The Apprentice TV show. If  
 21 we're in The Apprentice TV show season, it will  
 22 be top of mind for people. Let's take advantage  
 23 of that momentum and use that in some of our  
 24 marketing materials. When it wasn't The  
 25 Apprentice season, I recall it didn't perform as  
 Page 458

45 (Pages 455 to 458)

CONFIDENTIAL

Michael Sexton

Makaeff v. Trump University

<p>1           SEXTON - CONFIDENTIAL</p> <p>2 well.</p> <p>3       <b>Q. Was learn from the master or Trump</b></p> <p>4 <b>the master another advertising theme?</b></p> <p>5       A. For instance, I don't know whether</p> <p>6 we used any or all of these in real ads. The</p> <p>7 idea that Donald Trump was an expert in real</p> <p>8 estate certainly was a consistent theme.</p> <p>9       <b>Q. Was learn from the master a</b></p> <p>10 <b>consistent theme?</b></p> <p>11       A. I would say that would be -- if we</p> <p>12 thought about -- that would be part of this</p> <p>13 overarching messaging of Donald Trump's an expert</p> <p>14 in real estate. If you're going to learn about</p> <p>15 real estate, why wouldn't you learn from</p> <p>16 somebody's who actually been out there and done</p> <p>17 it before, as opposed to, you know, Robert Adder</p> <p>18 [ph] or some of these other guys that haven't.</p> <p>19       <b>Q. Was learn from the master Donald</b></p> <p>20 <b>Trump a successful or popular advertising theme?</b></p> <p>21       A. I couldn't tell that. I don't know.</p> <p>22       <b>Q. Was it tested?</b></p> <p>23       A. Again, I don't know whether -- this</p> <p>24 looks like a mock-up to a PDF. I don't know</p> <p>25 whether this -- I don't know whether this ran</p> <p style="text-align: right;">Page 459</p>	<p>1           SEXTON - CONFIDENTIAL</p> <p>2 in -- I don't know whether this particular ad was</p> <p>3 approved and ran in a market.</p> <p>4       <b>Q. Did other advertisements using that</b></p> <p>5 <b>same phrase, "learn from the master," actually</b></p> <p>6 <b>run?</b></p> <p>7       A. I couldn't tell you.</p> <p>8       <b>Q. Was Donald Trump's signature a theme</b></p> <p>9 <b>from a Donald Trump signature campaign or theme</b></p> <p>10 <b>where there would be his signature and name of</b></p> <p>11 <b>chairman of the board?</b></p> <p>12       A. No, it was what we think of as an</p> <p>13 element in the design and layout of an ad like</p> <p>14 this, much like the logo is an element, a free</p> <p>15 giveaway is an element, the picture is an</p> <p>16 element.</p> <p>17       We felt it supported -- he's got a</p> <p>18 fairly distinctive signature. We felt it</p> <p>19 supported the -- the overall messaging.</p> <p>20       <b>Q. Who came up with the idea to use his</b></p> <p>21 <b>signature in the advertising?</b></p> <p>22       A. I don't know.</p> <p>23       <b>Q. Was it you?</b></p> <p>24       A. I don't know.</p> <p>25       <b>Q. Was it Michael Bloom?</b></p> <p style="text-align: right;">Page 460</p>
<p>1           SEXTON - CONFIDENTIAL</p> <p>2       A. I don't know.</p> <p>3       <b>Q. Was using his -- Donald Trump's</b></p> <p>4 <b>signature a successful element of an</b></p> <p>5 <b>advertisement for Trump University?</b></p> <p>6       A. I don't know if the signature added</p> <p>7 anything to the ad.</p> <p>8       <b>Q. Can you think of other themes or</b></p> <p>9 <b>elements that Trump University used that were</b></p> <p>10 <b>successful in motivating students to attend the</b></p> <p>11 <b>courses?</b></p> <p>12       A. I mean, we used dozens and dozens of</p> <p>13 different headlines, body copy, layouts. I</p> <p>14 can't -- we measured all of this, so there's --</p> <p>15 you know, there's an answer. I don't have it for</p> <p>16 you, which one was the, quote-unquote, winning</p> <p>17 theme.</p> <p>18       And even if it was, there's a --</p> <p>19 what works today doesn't necessarily work</p> <p>20 tomorrow. What works in New York doesn't</p> <p>21 necessarily work in LA. It's a fairly -- it's a</p> <p>22 very dynamic, messy process that's, by its very</p> <p>23 nature, multi-variant when you've got 30</p> <p>24 different variables on any ad that you're</p> <p>25 tinkering with over time to -- to optimize. And</p> <p style="text-align: right;">Page 461</p>	<p>1           SEXTON - CONFIDENTIAL</p> <p>2 I don't have that data handy.</p> <p>3       <b>Q. The last two attachments are "Learn</b></p> <p>4 <b>to invest like a billionaire." Do you recall</b></p> <p>5 <b>whether you ever used this theme or an</b></p> <p>6 <b>advertisement similar to this?</b></p> <p>7       A. I don't recall, but I know we kind</p> <p>8 of backed off the whole notion of learn to invest</p> <p>9 like a billionaire.</p> <p>10       <b>Q. Why was that?</b></p> <p>11       A. It wasn't accessible to people.</p> <p>12 People didn't necessarily walk around wanting to</p> <p>13 be a billionaire. They'd be very happy to be a</p> <p>14 millionaire. So it was almost -- I think our</p> <p>15 feeling was it was almost overwhelming, daunting,</p> <p>16 you know, that's not going to happen.</p> <p>17       <b>Q. Did you have a theme you are</b></p> <p>18 <b>encouraging people to invest like a millionaire</b></p> <p>19 <b>or to become a millionaire?</b></p> <p>20       A. Not specifically, no.</p> <p>21       <b>Q. Did you have campaigns or themes or</b></p> <p>22 <b>elements using the word "millionaire"?</b></p> <p>23       A. Not that I can recall.</p> <p>24       <b>Q. Were the two primary people involved</b></p> <p>25 <b>in Trump University advertising and marketing,</b></p> <p style="text-align: right;">Page 462</p>

46 (Pages 459 to 462)

CONFIDENTIAL

Michael Sexton

Makaeff v. Trump University

1           **SEXTON - CONFIDENTIAL**  
2   **other than you, Michael Bloom and Josef Katz?**  
3    A.   That's correct.  
4    **Q.   And Josef Katz was there first and**  
5   **then Bloom came when he left; is that right? Or**  
6   **were they there at the same time?**  
7    A.   They overlapped briefly.  
8    **Q.   Why did Josef Katz leave?**  
9    [REDACTED]  
10 [REDACTED]  
11 **Q.   When did Michael Bloom leave? Was**  
12 **it after you left or before?**  
13    A.   Just before. I would say a month or  
14 two prior.  
15 **Q.   Was he terminated?**  
16 [REDACTED]  
17    MR. SCHNEIDER: Off the record just  
18 one moment.  
19    THE VIDEOGRAPHER: The time is 3:50.  
20 We're off the record.  
21    (Pause from the record.)  
22    THE VIDEOGRAPHER: The time is 3:53.  
23 We're back on the record.  
24 BY MS. ECK:  
25 **Q.   Who was David Early?**

Page 463

1           **SEXTON - CONFIDENTIAL**  
2    A.   He was -- he used to work at  
3 Dynatech for a good, long time, about 13 years, I  
4 believe, in a variety of roles. And so when he  
5 left there, he started his own consulting firm.  
6 And we worked with him pretty extensively in a  
7 number of different areas.  
8    **Q.   In what -- what did he do with Trump**  
9 **University or for Trump University?**  
10    A.   He did -- well, a lot of things. He  
11 helped with speaker and instructors, coaching  
12 them. He helped us at times get feedback on  
13 presentations. He helped at times with putting  
14 together things like the video testimonials. He  
15 helped with print buying. He helped with design  
16 of some print ads, I believe. I believe.  
17 **Q.   And what time period did he work**  
18 **with Trump University?**  
19    A.   I'd say 2000 -- on and off in  
20 different ways from 2007 through, I'd say, 2009.  
21 **Q.   Was his company Entrende?**  
22    A.   Entrende, yes.  
23 **Q.   How do you spell that?**  
24    A.   E-N-T-R-E-N-D-E.  
25 **Q.   Did he create any content for**

Page 464

1           **SEXTON - CONFIDENTIAL**  
2 **courses for Trump University?**  
3    A.   No, I don't believe so.  
4    **Q.   Did he -- who's Phillip Ungricht,**  
5 **U-N-G-R-I-C-H-T? Is he with EWI?**  
6    A.   The name's vaguely familiar. Do you  
7 have anything else on him?  
8    **Q.   Who was Kos -- Kos Rovoni [ph]?**  
9    A.   Character.  
10    Kos was and is an Internet marketing  
11 instructor. He's based out of Los Angeles. He's  
12 got his own course on how to -- how to market  
13 business on the Internet using a combination of,  
14 as I recall, social media, like LinkedIn, Meet Up  
15 and that sort of thing Facebook and paid search,  
16 so Google AdWords.  
17    And we worked with him. We wanted  
18 an Internet marketing product. We thought it  
19 would complement our -- we thought it would  
20 complement our offerings for entrepreneurs that  
21 wanted to not just launch a business, but then  
22 marketed their business. And we did partner with  
23 him. We liked -- we liked the focus of his  
24 content, but it just didn't work out.  
25 **Q.   Did he create a video with Donald**

Page 465

1           **SEXTON - CONFIDENTIAL**  
2 **Trump?**  
3    A.   No, not that I'm aware of.  
4    **Q.   Was he involved in any of the real**  
5 **estate courses or no?**  
6    A.   No. Purely -- purely Internet  
7 marketing.  
8    **Q.   If you could please look at document**  
9 **TU102432 through 435.**  
10    (Witness peruses the exhibit.)  
11 **Q.   This is an e-mail from Josef Katz to**  
12 **various people, including you, regarding**  
13 **California ad for Trump. It says, "See attached**  
14 **for a few small tweaks from legal."**  
15    **Do you recognize this document?**  
16    A.   I don't recall this specific  
17 document, no.  
18 **Q.   Do you have any reason to believe**  
19 **you would not have received this document?**  
20    A.   No.  
21 **Q.   Was it common to have advertisements**  
22 **reviewed by the legal department?**  
23    A.   Yes.  
24 **Q.   Did they review every advertisement?**  
25    A.   I believe any ad, any newspaper ad

Page 466

47 (Pages 463 to 466)